FOLLOW THE YELLOW BRICK ROAD: FROM HARVARD TO ENRON

PART ONE
by Linda Minor © 2002

Who is left at Enron?

In the last few months, almost all the directors of Enron have resigned with one very notable exception--Herbert Simon "Pug" Winokur, Jr. A man in the shadows whose name may not have made an impression on most people who read headlines. Why is he still around, and where did he come from? This is a good place to start.

Pug Winokur's family

Pug was born in 1943 in Columbus, Ga. (where Fort Benning is located), while his father (married to Marjorie Lipman in 1942) was serving in the U.S. Army Air Force, attaining the rank of Major during his 1942-45 enlistment. He was awarded the Order of the Cloud and Banner (China), indicating his involvement in the China Burma India Theatre. The military decoration Major Winokur received was an honor presented from the Chinese government of Chiang Kai-shek, who fled to Taiwan when the Red Chinese took over China. There were more than 30 of these decorations, for example, awarded to the Flying Tigers of Clare Chennault.

The American troops in the China-Burma-India Theatre were commanded by General Joseph Stilwell, who was the Deputy Allied Commander under Lord Mountbatten of Great Britain—the last viceroy of the British colonial empire in India, who was then assigned to Burma. There have been numerous books written about the involvement of these groups in opium smuggling. An overview of that information can be found at http://www.drugtext.org/books/McCoy/book/29.htm and at http://www.ruby-sapphire.com/burmese_politics.htm

With this military background, according to information in Who's Who, Pug's father returned to his interrupted career in consumer finance--first at Federal Loan Co. and also to Rettews Money Loan beginning in 1958, and Executive Consumer Discount in 1967--all in Philadelphia. These work relationships ended in 1974, followed by his short association with George S. May International in Park Ridge, Illinois, the same city, coincidentally, where Hillary Rodham grew up. In 1975 Winokur, Sr. began a management consulting firm in Wayne, Pa.

The family was of the Jewish religion, and Pug's father was the treasurer of a pawnbrokers' association and belonged to B'Nai Brith as well as to an association involved with Jewish employment. B'Nai Brith, a Jewish fraternal organization, was the sponsor of the formation of the Anti-Defamation League, the seed money of which was put up by Burton Joseph, whose family was involved with the I.S. Joseph Company in Minnesota. (See http://www.larouchepub.com/other/1995/2249_cartel_companies.html) Burton Joseph was very closely involved with Meshulam Riklis, whose background will be further explored below.

Pug has a sister named Lisbeth Cload, married to Nigel Cload, a Mercedes car dealer in Allendale, N.J. Lisbeth is an attorney at McElroy, Deutsch & Mulvaney, LLP in Morristown, New Jersey after spending 11 years at Orbe, Nugent and Darcy. She was a 1969 graduate of Boston University, studied at the University of Lyons (France), and received her law degree from Pace University School of Law in 1986.

First and foremost--a Harvard Man

Pug himself went to Harvard, where he received three degrees: A.B. '65 ('64), A.M. '65, and Ph.D. '67. His doctoral degree is in applied mathematics (decision and control theory). His first job out of Harvard was with

the U.S. Army, assigned to the Department of Defense in Washington, D.C. That was at the end of Robert S. McNamara's seven years in that job. McNamara left the office in March 1968 to head the World Bank, with Clark Clifford filling out Lyndon Johnson's term at Defense.

Sixteen years prior to the JFK assassination, Clark Clifford had written the National Security Act of 1947 (creating the Central Intelligence Agency and Defense Department) for President Truman, and he had also advised Truman to recognize the State of Israel created in 1948, a move violently opposed by Secretary of State Marshall. Clifford's advice about Israel's recognition was allegedly influenced by Jewish contributions to Truman's fund-raising efforts which Clifford headed. Nineteen years after Kennedy's murder (1982) Clifford and his law partner would secure a banking license for BCCI to operate through First American Bancshares of Georgia; Clifford had been representing the foreign investors in BCCI since 1978 when he was also a big fund-raiser for Jimmy Carter.

It is not known whether any contact between Winokur and Clark Clifford—his boss in the Defense Department for only 10 months—continued after 1969, when both men left the government. But when Nixon took office that January, Pug and two other Defense Department analysts started a private consulting firm in Washington, D.C. called Inner City Fund with a black figurehead named Clarence D. "Lucky" Lester, a former Tuskegee airman, as president, ostensibly to promote minority entrepreneurship. Lester was a military science instructor at Howard University while still in the military, retiring as a colonel in 1969. Col. Lester was then assigned to the Office of the Secretary of Defense at the same time the Inner City Fund was created. (See Obituary 20 March 1986 *Washington Post*)

At this point we do not know who those other analysts were or where the money came from to invest in this project. It is interesting to note that in the spring of 1968 a report was issued by the Kerner Commission about the prediction for the inner cities, following the race riots in Watts in Los Angeles. Several years after that report, Winokur worked for the man who was in charge of getting the report written--Victor Palmieri. (See http://www.interactivist.net/housing/war.html) Palmieri had been selected to Law Review at Stanford in 1952 and then went to work for an old California firm, O'Melveny and Myers, before working for the land developers of Janss Investment. He grew up in Pasadena, where his family moved in 1934, more than two decades after the Janss brothers began developing land around Los Angeles—where they first focused on model irrigated farms in the San Fernando Valley originally acquired for development by a syndicate led by Harry Chandler, business manager of the Los Angeles Times, with Isaac Van Nuys, Hobart Johnstone Whitley, and James B. Lankershim.

Also on that Commission was Charles B. Thornton of California (head of Litton Industries) and the CEO of North American Rockwell, John L. Atwood. Both these companies were represented on the Industry Advisory Council, which was started by Robert McNamara in 1962. It is extremely likely that ICF was funded by this organization, and that there is a thread throughout Pug's career that can be traced back to that group which epitomized the military-industrial complex which President Eisenhower warned of in 1961.

(For background on ICF, see http://www.icfi.com/About_Us/history.asp "ICF International was founded in 1969 as the Inner City Fund, a venture capital firm whose mission was to finance inner-city businesses. Its first president was C. D. Lester (*photo below*), a former Tuskegee Airman, who was joined in the enterprise by three U.S. Department of Defense analysts. The firm's consulting business proved more successful than its investments, and in 1972, it was reorganized as a consulting firm and renamed ICF Incorporated….
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Years later, in 1988, ICF acquired Kaiser Engineers, which had originated as the engineering unit of Henry J. Kaiser's industrial empire… The combined company operated as "ICF Kaiser," maintaining its consulting unit largely intact.").

"In the 1970s, ICF was principally a consulting firm made up of a handful of Ivy League graduates with strong political ties. Budget director Richard Darman worked there, and ACR Chairman James O. Edwards worked in the Office of Management and Budget and was a deputy assistant secretary at the Department of Health,
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Education and Welfare…. Started in 1969 as a small venture capital firm by a group headed by Clarence 'Lucky' Lester, a black fighter pilot who fought in World War II, ICF originally set out to help minority businesses win government contracts. It was called the Inner City Fund, then later just ICF, as the company's focus shifted. Its current incarnation began in 1974, when [James O.] Edwards joined the consulting firm. In 1974, the company had about $300,000 in annual revenue. By 1982, revenue had grown to $14.3 million a year, principally from serving as a consultant to the federal government on energy and environmental issues."

Under Edwards the Inner City Fund had acquired 13 other firms and increased its earnings to more than $8 million a year from less than $500,000. In 1987 ICF formed a holding company called American Capital and Research Corp., which acquired the nearly bankrupt Oakland-based Kaiser Engineers in 1988. By 1989 the corporation was ready to go public and added "three high-powered outsiders, all known for their ability to raise money, to its board of directors:

1. Canadian investor **Samuel Belzberg**, who also owns 500,000 shares of the company's stock;
2. **Frederic V. Malek**, a former Nixon White House staffer who is part of an investor group that acquired Northwest Airlines; and
3. **Tony Coelho**, a former Democratic House Whip who once ran the Democratic Congressional Campaign Committee and is now a managing director of the investment banking firm Wertheim Schroder & Co. Inc."

Richard Darman's entry in *Who's Who* indicates he was the principal director of ICF, Inc., in Washington during 1975 and from 1977 through 1980, having begun his career in government at the Dept. of Health, Education & Welfare in 1971-72 during Nixon's first term in office. He went to Defense in 1973 and soon moved to work in the special assistant's office in the Justice Department during Watergate investigation. During Ford's immediate tenure, he became a fellow at the Woodrow Wilson International Center before moving into ICF after Pug Winokur left. But like Pug, he was a Harvard graduate, although in the class of 1970. "Richard Gordon Darman grew up in Wellesley Hills, Mass., the son of an industrialist who owned textile mills and marketed oil and gas. After graduating from Harvard College and Harvard Business School, he began a career that has taken him through five Cabinet agencies." (PHIL GAILEY, *The New York Times* 11 January 1985)

The IAC meetings (which Pug <u>may</u> have attended) were usually conducted by the Deputy Secretary of Defense—William P. Bundy at that time—whose Yale and Harvard and family background was closely aligned with the opium-running Cabot, Lowell and Acheson families, as well as being molded by the Skull and Bones society to which the Harriman, Bush and Bundy families belonged. (See Minor Musings History of Drug Trade series and http://www.mishalov.com/Bundy.html)

ICF, ostensibly a venture capital firm, did not finance any minority businesses but was, however, awarded numerous consulting contracts as a sole-source provider without competitive bidding. It reorganized into a consulting group in 1972 and began branching into engineering. We can only assume how it was financed based on the relationships Pug had developed at that stage of his career.

Pug left ICF in 1974, the same year that the Defense Industry Advisory Council (otherwise known as the Blue Ribbon Defense Panel chaired by Gilbert Fitzhugh and appointed by Melvin Laird (see http://www.newspaperarchive.com/PdfViewerTags.aspx?img=76899949&firstvisit=true&src=search&currentResult=7&currentPage=0&fpo=False) disbanded because its secret meetings were thereafter required to be open to the public. James R. Kerr, president and chairman of the Executive committee of Avco corporation, was on the panel as well as chairman of the Board of Governors of the Aerospace Industries association.

ICF would issue an initial public offering 14 years after Pug left--in 1988--at about the same time it became ICF-Kaiser through a merger with Kaiser Engineering, a spin-off of the company bought by Charles Hurwitz in 1988. At this point we do not know who may have made money from that IPO.

What we do know is that Kaiser Industries, the original parent, was started by Henry J. Kaiser, an automobile manufacturer in Detroit who had become one of the inner circle of the military-industrial complex in California. (See http://www.kaiserair.com/about.html).

We also know that "Tex" Thornton had been Robert McNamara's boss at Ford Motor Co. in Detroit, and that both men had the same background as Pug Winokur; they and eight other people hired in 1945, who answered directly to Henry Ford II were from the U.S. Army Air Corps - Statistical Control.

> Van Nuys, January 21, 1973
> A 14-year-old suit involving Litton Industries Inc. has been settled for $2,400,000, superior court records had disclosed today. The settlement, approved by Superior Court Judge Arthur K. Marshall, calls for the funds to be paid by Electro Dynamics Stock Trust Fund to the estate of the late Emmett T. Steele. Steele filed suit in 1959 against Litton, Electro Dynamics, Charles Thornton, Roy L. Ash and Hugh W. Jamieson. The three individual defendants, at the time the suit was filed, were partners in Electro Dynamics. Jamieson is no longer in the partnership, according to Harold Rhoden, attorney for the Steele estate. Steele claimed in his suit that he and the other three men were founders of Litton as the firm exists today. He alleged that under a 1958 agreement with Thornton, he was entitled to buy 62,000 shares of founders stock in Litton. The stock was to be sold to him at advantageous prices, the suit said. But, Steele claimed, Ash, Thornton and Jamieson failed to honor the deal. The suit went to trial and in 1965 a jury awarded Steele $7,600,000 in damages. The verdict followed six months of court sessions. At the time of trial, the stock Steele claimed was due him was worth $5,000,000, according to Rhoden. After the verdict the late Superior Court Judge Frederick W. Mahl granted a new trial, but did not give an actual judgment for the defendants. Judge Mahl's ruling was appealed and the State Supreme Court allowed it to stand. Steele died in 1971 at the age of 52 of an apparent heart attack while swimming in the pool of his Beverly Hills home, Rhoden said. The case was further complicated last year when it was learned that the county clerk's office inadvertently had destroyed about 700 documents needed for the retrial. The case never went to actual retrial. Preliminary motions began last July. Of the total $2,400,000 settlement, $960,000 is earmarked for fees for Steele's attorneys. The remainder goes to Steele's heirs and creditors and for taxes. Under terms of the settlement the agreement is not to be construed as an admission by any party, but for the purpose of "avoiding long and costly litigation." All parties will end all disputes, including the 1959 suit, under the settlement. Judge Marshall is expected to dismiss the suit tomorrow.

AP Dec. 4, 1972
Ash and Thornton swapped 22 acres of ocean-front land in Pt. Reyes for the 14,145 acres of arid range land adjacent to their T-Lazy-S Nevada ranch. They had paid $142,000 for the California land. Ash and Thornton were among several persons interested in obtaining public lands who stepped in when the Interior Department found itself short of cash to purchase privately owned property within the 55,000-acre Pt. Reyes seashore. Three years ago Ash and Thornton, who built Litton Industries into one of the nation's biggest defense contractors, picked up a 14,000-acre parcel of public land for about $10 an acre.

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The McCarthy Company, listed on the Pacific Stock Exchange, is a majority owned subsidiary of Pacific Holding Corporation, listed on the American Stock Exchange (Independent Press-Telegram, August 1973)

Long Beach Independent Press-Telegram – June 18, 1972
Bertram J. Diker has been named chairman of the board of The McCarthy Company. Diker also is president and chief executive officer of Pacific Housing [sic] Corporation, which owns 77 percent of McCarthy's common stock. As McCarthy's chairman he succeeds Rene R. Wolcott [sic], who becomes
vice chairman of the board. Also named to the board was Abner H. Goldstone, independent investor and attorney and a member of **Pacific Holding's** board. In addition, Goldstone was named chairman of McCarthy's executive committee. W. N. Kennicott continues as president, chief executive officer and a director of
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McCarthy, an 80-year-old developer of single-family and multi-family housing in both the Eastern and Western U.S. With the addition of Diker and Goldstone, the McCarthy board was expanded to nine members.
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July 24, 1975

STATE EX REL. NEBRASKA STATE BAR ASSOCIATION, RELATOR,
v.
G. BRADFORD COOK, A MEMBER OF THE NEBRASKA STATE BAR ASSOCIATION, RESPONDENT

Original action.
White, C. J., Boslaugh, Newton, Clinton, and Brodkey, JJ., and Colwell and Warren, District Judges.

SYLLABUS BY THE COURT

1. Attorneys at Law: Disciplinary Proceedings: Trial. In a disciplinary proceeding against an attorney, the burden rests upon the relator to establish each count of the complaint to a reasonable certainty by a clear preponderance of the evidence.

2. Attorneys at Law: Disciplinary Proceedings: Trial. An attorney may be subjected to disciplinary action for conduct outside the practice of law or the representation of clients, and for which no criminal prosecution has been instituted or conviction had, even though such conduct might be found to have been illegal.

3. Attorneys at Law: Disciplinary Proceedings: Rules. Disciplinary Rule 1-102(A) provides, among other things: "A lawyer shall not: . . . (3) Engage in illegal conduct involving moral turpitude. (4) Engage in conduct involving dishonesty, fraud, deceit, or misrepresentation. (5) Engage in conduct that is prejudicial to the administration of Justice. (6) Engage in any other conduct that adversely reflects on his fitness to practice law."

4. Perjury: Words and Phrases. To lie is to make an untrue statement with intent to deceive. Even though a statement as to the truth of a fact is mistaken, the statement is not a lie if the sayer himself honestly believes it to be true.

5. Perjury: Attorneys at Law: Disciplinary Proceedings. The commission by an attorney of perjury is ground, depending upon the circumstances, for either disbarment or suspension from the practice of law.

The opinion of the court was delivered by: Clinton

This is a disciplinary proceeding under the rules of this court brought by the State of Nebraska ex rel. Nebraska State Bar Association against the respondent, G. Bradford Cook, an active member of the bar of this state, who, at the time of the offenses charged, resided in Washington, D.C., and who earlier had practiced law in the city of Chicago, Illinois.

These proceedings were instituted on April 1, 1974, as a consequence of a complaint made by an active member of the bar of this state to one of the standing Committees on Inquiry previously appointed pursuant to our rules. The complaint called attention to newspaper articles of March 29 and 30, 1974, which recited alleged admissions of previous perjury and lying made by the respondent while testifying as a witness for the United States in the prosecution of John Mitchell and Maurice Stans in the United States District Court for the Southern District of New York on charges of obstruction of Justice and conspiracy. The charges against Stans and Mitchell were related to the investigation by the Securities and Exchange Commission of Robert Vesco.

On August 5, 1974, this court, by order, transferred the complaint to the Advisory Committee of the Nebraska State Bar Association. The Advisory Committee held a hearing on September 11, 1974, at which the respondent

appeared and at which evidence was received. The Advisory Committee concluded that there was reasonable ground to believe Cook guilty of the charges and filed its complaint in six counts against the respondent in this court on September 27, 1974. On November 8, 1974, John H. Kuns, District Judge, Retired, was appointed by this court as referee to take testimony on an amended complaint. The amended complaint charged that the respondent Cook violated DR 1-102 (A) (3), (4), (5), and (6) in the respects charged in the following counts:

Count I: That respondent knowingly testified falsely under oath before a Grand Jury of the United States District Court for the Southern District of New York in the matter of the United States v. Robert Vesco, on April 19, 1973.

Count II: That in the same proceeding in the same court, respondent again knowingly testified falsely under oath on May 3, 1973.

Count III: That in the same proceeding in the same court, respondent again knowingly testified falsely under oath on May 7, 1973.

Count IV: That respondent knowingly testified falsely before Senator Proxmire's Subcommittee on Appropriations for the Department of Housing and Urban Development, Space Science, Veterans and Certain Other Independent Agencies of the Committee on Appropriations on May 1, 1973.

Count V: That respondent knowingly testified falsely under oath before the same subcommittee on May 14, 1973.

Count VI: That respondent knowingly testified falsely under oath before Representative Staggers' Special Subcommittee on Investigation of the Committee on Interstate and Foreign Commerce, on May 21, 1973.

Respondent, by his amended answer, admitted that as to count I of the complaint: "Respondent on April 19, 1973, knowingly testified inaccurately, incompletely, evasively, and in some respects falsely under oath before the Grand Jury in the United States District Court for the Southern District of New York in the matter of United States v. Robert Vesco." Respondent denied all remaining allegations of counts II to VI.

By written stipulation the respondent expressly waived the lack of specificity in the description in the complaint of the alleged untruths.

The matter was heard by the referee on January 16, 1975. The referee found the respondent had admitted his guilt of count I; found that the evidence was insufficient to support a finding of guilt on counts II to VI, inclusive; made findings in extenuation of guilt on count I; and recommended discipline of censure or reprimand by this court. The relator filed exceptions to the findings of the referee on counts II to VI and to the recommended discipline. This court then heard the matter upon the combined evidence received by the Advisory Committee and the referee. We sustain the findings of the referee of guilty on count I and not guilty on counts II, III, and VI, and make findings of guilty on counts IV and V. We enter judgment of suspension from the practice of law for a period of 3 years.

The complaint is founded upon the theory that the respondent violated the disciplinary rules contained in the Code of Professional Responsibility, Canon 1, in DR 1-102 (A), which provide:

"(A) A lawyer shall not: . . .

(3) Engage in illegal conduct involving moral turpitude.

(4) Engage in conduct involving dishonesty, fraud, deceit, or misrepresentation.

(5) Engage in conduct that is prejudicial to the administration of Justice.

(6) Engage in any other conduct that adversely reflects on his fitness to practice law."

The burden rests upon the relator to establish each count of the complaint to a reasonable certainty by a clear preponderance of the evidence. State ex rel. Nebraska State Bar Assn. v. Rhodes, 177 Neb. 650, 131 N.W.2d 118. An attorney may be subjected to disciplinary action for conduct outside the practice of law or the representation of clients, and for which no criminal prosecution has been instituted or conviction had, even though such conduct might be found to have been illegal. State ex rel. Nebraska State Bar Assn. v. Tibbels, 167 Neb. 247, 92 N.W.2d 546; State ex rel. Nebraska State Bar Assn. v. Butterfield, 169 Neb. 119, 98 N.W.2d 714.

In this case the respondent admits having testified falsely at the April 19, 1973, hearing before the Grand Jury of the United States District Court for the Southern District of New York in the matter of the United States v. Robert Vesco, both by his amended answer and in his testimony. There is, therefore, no question but that count I of the complaint has been established.

We deem that a recital of some of the background information and the circumstances surrounding the alleged misconduct is essential to an understanding both of the justification for the discipline we impose and the findings we make as to the respondent's guilt insofar as those findings differ from those of the referee.

Respondent was admitted to the bar of Nebraska in 1962 and his membership has continued until the present time. Shortly after his admission in this state he began the practice of law in Chicago, Illinois, and specialized in securities law. In September 1971 he became general counsel for the Securities and Exchange Commission and in November 1971 assumed supervision of the investigation of Robert Vesco in connection with violations of federal statutes regulating securities. In August 1972 while that investigation was still in progress, Cook was appointed Director of the Division of Market Regulation of the commission. As director he no longer had direct responsibility for the investigation of Vesco, but was kept advised of developments. The present charges grow out of certain of the respondent's conduct related to that investigation and the subsequent prosecution of Maurice Stans.

In August of 1972 the investigation of Vesco developed information indicating that Vesco had "looted" a mutual fund known as Investors Overseas Services of the sum of about $250,000,000 and the SEC probe was then directed to efforts to determine exactly how and by what means this had occurred, where the funds had gone, and to the taking of appropriate legal action. In October of 1972 the SEC learned of $250,000 in cash having been delivered to Vesco in New Jersey. This transaction had apparently occurred in April of 1972. It also learned that $50,000 of this amount was at that time siphoned off and the balance of $200,000 had gone to some unknown destination or recipient. At about that time the Committee to Reelect the President, sometimes referred to as "CREEP," reported a contribution from Vesco of $50,000. Cook suspected at the time the SEC learned of the $250,000, and without having any direct evidence, that the $50,000 was a part of the looted funds. He further suspected that the $200,000 also might have become a political contribution. He mentioned his hunch to one member of the enforcement division of the SEC, but that person indicated he had information that the money had probably gone to Vesco in the Bahamas.

On Saturday, November 11, 1972, the respondent went goose hunting at Eagle Lake near Houston, Texas. There Cook met Maurice Stans for the first time. The outing had been arranged by Cook's father, who was a friend of Stans through work done together in connection with the 1968 and 1972 political campaigns of Richard Nixon. At that time Stans, a former Secretary of Commerce in the Nixon administration, was chairman of a section of CREEP responsible for raising funds. The following outline of events at Eagle Lake and those which subsequently followed comes in part from an affidavit made on May 23, 1973, by the respondent while he was cooperating with the United States District Attorney in the prosecution of Mitchell and Stans, and in part from his testimony in these disciplinary proceedings and the evidence adduced in these proceedings. In the affidavit Cook stated: "I went to this goose shoot in part to meet and socialize with Maurice Stans and other

individuals who could be helpful in my efforts to seek the chairmanship of the SEC." In the course of a conversation at Eagle Lake, the respondent mentioned to Stans his desire to become chairman of the SEC when the present chairman, William Casey, quit, which event the respondent believed to be imminent. Some further Discussion ensued between Cook and Stans during which Stans indicated he favored an accountant for the position. Cook urged reasons supporting the proposition that a securities lawyer should be appointed and particularly urged his own qualifications. Stans made no commitment. Later, in the same conversation, Cook brought up the matter of the Vesco investigation and mentioned in particular the $250,000 cash fund and noted the receipt of the $50,000 by CREEP from Vesco. Stans indicated he had no knowledge of the contribution. Cook asked him to check on it. Cook, in his testimony, stated that his purpose was to discover if CREEP might also have received the $200,000 and also apparently to give Stans an opportunity to make the information public if CREEP had, in fact, received the money. During the conversation Cook also mentioned that the complaint against Vesco would shortly be filed. When, at the end of the hunting outing, Cook and Stans parted at the Houston airport, Stans stated he would check on the Vesco contribution and get back to Cook, and, according to the affidavit, "In the same conversation I also recall Mr. Stans making some mention of the SEC chairmanship and that I should proceed in seeking it."

On November 13, 1972, when Cook returned to his office in Washington, D. C., he received, apparently routinely, a copy of a draft of the proposed complaint against Vesco. It contained a paragraph outlining in some detail the movement of the $250,000 cash. Previous drafts of this particular paragraph had been in very general language, omitting dates, amounts, and identity of persons. In the draft then before him Cook noted that a certain date coincided with the last day in the preceeding April during which cash political contributions could lawfully be made without being publicly reported.

On November 15, 1972, Stans called Cook and indicated he wanted to talk "about what we discussed at Eagle Lake." Cook then brought up the Vesco investigation and paraphrased to Stans the allegations of the paragraph. Stans indicated the pleading gave him problems and wondered if it had to be done that way. Cook told Stans he did not know, but would find out. Then Cook spoke to a Mr. Stan Sporkin of the SEC enforcement staff, who was one of the persons then having prime responsibility for the projected litigation against Vesco. Cook's affidavit, insofar as it pertains to that particular matter, is as follows: ". . . asked him why this particular paragraph was in the complaint and whether it was necessary to our case. He stated that it had to be in the complaint. I then asked him if it was necessary to have such great detail. I expressed my opinion that it would be more professional and better style to have a general description of this particular transaction. I believe he took the particular paragraph on a single sheet of paper from my hand, glanced at it and said to the effect that he would see what he could do to make it more general and left for his office."

The affidavit of Cook also recites: "Following my conversation with Mr. Sporkin I recall some Discussions of this paragraph with Mr. Casey. I believe that I expressed to Mr. Casey my concern over the paragraph as originally drafted. I told him that I had discussed it with Sporkin and that Sporkin was going to redraft the paragraph to be more general. He in effect asked me to work it out with Stan Sporkin. I also believe that he made a comment to the effect that our primary objective was to stop Vesco from looting the IOS funds and the complaint should be worded to accomplish this objective and that we should not detract in any way from the main focus or thrust of our case. I have some recollection of stating that the paragraph may have political overtones."

On November 17, 1972, Cook called Stans and told him the paragraph had to stay in the complaint, but would be pleaded in a more general way without the specifics. Stans expressed the opinion "'that's better'," or "'that's fine'." Cook went on to tell him that transcripts of discovery depositions of witnesses would be filed and that when that was done all the information the SEC had on the $250,000 transaction would be on public record. Stans inquired as to why that needed to be done. Cook said he did not know, but would find out. Cook then again conferred with Sporkin. On November 27, 1972, the complaint against Vesco was filed. The transcripts were later filed and Stans ultimately became aware of that fact.

On February 1, 1973, Stans called Cook and asked him to meet him at the White House Mess. At that time Stans showed Cook a copy of a transmittal letter to Vesco, returning a $250,000 political contribution. Stans said no announcement would be made, but, because of the size of the contribution, the matter would become public when the GAO filed its report (apparently upon audit under the Disclosure Act). Cook testified during the disciplinary proceedings that, up until the time of this disclosure by Stans, he had believed CREEP had not been the recipient of the $200,000 because of Stans' implicit denial, and that this belief had, despite his initial suspicions, been reenforced by Sporkin's statement that the money had gone to the Bahamas. The day following the meeting with Stans at the White House Mess, Cook notified Sporkin of Stans' disclosure. Later Cook contacted Stans urging the matter be made public, and the latter indicated to Cook that there would be no disclosure until the GAO filing. On March 3, 1973, Cook became Chairman of the Securities and Exchange Commission.

Such is a sketchy summary of the pertinent background. We now turn to the events directly pertaining to the offense charged.

While the previously cited events were occurring, a Grand Jury of the United States District Court for the Southern District of New York was investigating the charges against Mitchell and Stans. In February or March 1973, Cook turned over to the United States District Attorney's office, at its request, some documents which presumably would be useful in the Grand Jury probe. These items included "logs, telephone books, calendars and some memoranda and correspondence." Shortly thereafter, Cook, at Stans' request, again met Stans at the White House Mess. The request for the meeting was made apparently by telephone and Stans, either then or at the beginning of the meeting, stated that he wanted it to be "One of those conversations that does not take place." At this meeting Stans informed Cook that he had testified before the Grand Jury and that in that testimony had stated that he had no communication with Cook regarding the Vesco investigation until after the complaint against Vesco had been filed. At the trial of Mitchell and Stans, Cook testified concerning this meeting as follows: "And he said that in connection with our meeting at that time, that the meeting would be -- it was being held to discuss a trip to Haiti which both he and myself had been invited to attend.

"Q Was there any further conversation?

"A I looked at Mr. Stans, or actually I looked into my coffee cup, and I said, 'Well,' and I kind of hesitated, and he said, 'Well, Brad, that's the way it happened, and there is no sense in getting everybody embarrassed here. There was nothing done wrong here. The gift was a legal gift. Your suit was brought and all it would do is cause a great deal of embarrassment to everybody.'

"Q What did you say?

"A I said, 'Well, if that's the way it is going to be, I guess that's the way it is going to be,' or words to that effect.

"Q Was there any further conversation that day?

"A I believe that was the substance of it."

Apparently, earlier in February 1973 previous to the meeting with Stans we have just described and before Cook had assumed his duties as Chairman of the SEC, he had received a request from Kenneth Parkinson, attorney for the fund-raising section of CREEP of which Stans was the head, to meet Parkinson at the latter's office. There Parkinson informed Cook that he had received from Stans some notations of meetings between Stans and Cook and he wanted to go over them with Cook to verify the information therein. As indicated by the memoranda, as related by Parkinson to Cook, these meetings between Cook and Stans were said to have taken place after the filing of the Vesco complaint. According to Cook's testimony before the referee: "And he gave me a piece of paper which had various dates written, and he went through each date and he said 'Well, Mr. Stans

said that he talked to you on this date about this matter, and on this date about this matter.' And on one or two of the dates I corrected him on the date itself, and on the, with respect to the Discussions that took place and what the subject of those Discussions were. I didn't say yes, I didn't say no, I just sat there and didn't correct Mr. Parkinson."

On April 19, 1973, Cook appeared before the Grand Jury and, as he judicially admits, knowingly testified falsely that he had no conversation with Stans concerning the Vesco complaint until after the complaint was filed.

On May 1, 1973, Cook, as Chairman of the SEC, together with other members of the staff of that agency, were testifying before a subcommittee on appropriations of the United States Senate headed by Senator Proxmire. The subject was the SEC budget. Those testifying were not under oath. After the testimony on budget matters was concluded, Senator Proxmire brought up the subject of the Vesco investigation. After an introductory question and answer by Cook, the following occurred: "Senator Proxmire. Well, the reason I asked this question is I want to know whether any member, any Commissioner or any staff member could tell us this morning whether they have been approached by anyone in the administration with respect to activities of the SEC vis-a-vis Vesco. Why don't we just go through the Commissioners?" Each of those witnesses testified negatively until Cook was reached and he responded as follows: "Mr. Cook. Both before and after our suit was filed I had Discussions concerning a particular facet of the case with a member of the Re-Election Committee. These Discussions focused in general on the source of a large sum of cash which was ultimately described in paragraph 64 of our complaint. The first Discussion arose in the context of a social gathering.

"Senator Proxmire. Who was the member?

"Mr. Cook. It was Maurice Stans.

"Senator Proxmire. What were the dates of these Discussions?

"Mr. Cook. I couldn't give you specific dates but it would have been immediately before the complaint was filed in November and subsequent Discussions were held in January."

In the brief of respondent, our attention is called to the fact that the question asked was irrelevant to the subject of inquiry of the committee and could have been truthfully answered by Cook in the negative since, at the time of the various conversations between Stans and Cook, the former was not a member of the Nixon administration, but one of the members of the CREEP committee. It is to be noted, however, that the response was in fact a coverup of the falsity of some of the items concerning which Cook had lied before the Grand Jury and would therefore appear to be at least a volunteered continuation of the original lie. The untruth evident here is that the answer limits the subject of the conversation to the source of the funds, whereas the incriminating conversations were those relating to restricting the pleading and the feasibility of not filing certain discovery depositions. It also lies in the fact that all these conversations took place before the filing of the complaint. In his later and second appearance before the Proxmire committee on May 14, 1973, the respondent acknowledged the knowing falsity of his statement of May 1, 1973, in the following exchange: "Senator Proxmire. So you knew at the time you made the response it was not true?

"Mr. Cook. I knew at the time I made the response here on that day it was not true and, again, as soon as I got back, when I got back, on Friday when I saw the transcript I immediately tried to reach you and to tell you."

On May 2, 1973, the day following the Proxmire subcommittee budget hearing, Cook received a telephone call from Mr. Seymour, United States District Attorney for the Southern District of New York, inquiring whether Cook would be coming to New York within a few days as there was a very important matter concerning which he wished to speak to Cook. Cook responded that he would be in New York that evening to make a speech and would see the District Attorney that afternoon. At the hearing before the referee in which Cook described this

telephone conversation, he stated he felt that he knew what the District Attorney had in mind and was anxious to discuss it with the District Attorney. Cook kept the appointment and was there told, in Mr. Cook's words: "Seymour said that they had reason to believe that my Grand Jury appearance on the 19th, my testimony had not been completely truthful.

"And I said to him I was relieved that he had raised this question and that, and that he was correct, that I had not leveled with the prosecutors and that I would do everything in my power to tell him everything that I could recall concerning these, this investigation."

Cook appeared before the Grand Jury on May 3, 1973, and testified. He was recalled for further testimony before the same Grand Jury on May 7, 1973. Between these two Grand Jury appearances Cook, after being unable to contact Senator Proxmire by telephone, wrote a letter to Senator Proxmire in which he stated: "In my response I interpreted the question in the spirit I thought it was asked and recounted a conversation that I had with Mr. Stans even though at that time he was not a member of the administration.

"While that conversation was the one which most readily came to mind at the time, I was mistaken in indicating that it had occurred subsequent to the filing of our law suit.

"It is my recollection that the conversation occurred prior to the date on which we brought our case. In addition, there were several other conversations which I had with Mr. Stans, both prior and subsequent to the filing of our law suit." We observe that the acknowledgement in this letter is not one of having told a falsehood, but merely one of being "mistaken."

On May 10, 1973, Vesco, Mitchell, Stans, and others were indicted.

On May 14, 1973, Cook was called to testify again before the Proxmire subcommittee and at this time he did testify under oath. A principal subject of inquiry at this hearing was whether the generalized, rather than particularized, pleading of the paragraph in the SEC complaint against Vesco was motivated merely by the legal appropriateness of the method of pleading, or whether it was motivated by desire either to conceal or delay disclosure of the information. This same matter was also a matter of critical importance in the prosecution of Stans. In that connection Cook testified contradictorily as to whether he had discussed the pleading of that paragraph with Sporkin before or only after his conversation with Stans on November 15, 1972. The thrust of the inferences to be drawn are that if he discussed the matter with Sporkin on November 14, 1972, then the changes in the pleading were not motivated by Stans' importunations and, on the other hand, if he did not discuss it with Sporkin until after the conversation with Stans, then the opposite could be concluded. (We note here parenthetically and for the purpose of the clarification of later comments in the opinion that the issue raised by the paragraph in question is the one under which evidence of the $250,000 Vesco cash, which ultimately found its way to CREEP, would be admissible in evidence in the case against Vesco.)

In an affidavit prepared between May 17, 1973, and May 23, 1973, and signed on the latter date, during the time while Cook was cooperating with the United States District Attorney, Cook stated: "Following this conversation with Mr. Stans, I spoke to Sporkin and asked him why this particular paragraph was in the complaint. . . . ." At the Mitchell-Stans trial on cross-examination, Cook acknowledged unequivocally that the conversation with Sporkin came after the conversation with Stans. That testimony was as follows: "And directing your attention to the date November 14 of 1972, when you returned to the SEC from your goose hunt, is it not a fact that you found paragraph 33A, so to speak, before you for the first time?

"A That's my best recollection, Mr. Bonner.

"Q And that was a day before your telephone conference with Maurice Stans on November the 15th, is that not so?

"A Yes, sir.

"Q And is it not a fact that a day prior to ever speaking to Maurice Stans on May the 15th, you talked to Sporkin about this paragraph on the 14th?

"A That's not a fact, Mr. Bonner. . . .

"Q And that on May 14th, 1973, before the Senate Committee, before Senator Proxmire and Senator Brook, you stated on three or four or five different occasions that the decision not to use the expanded paragraph was made by you in consultation with Mr. Sporkin on November 14th?

"A Essentially, that's correct, Mr. Fleming." Respondent, at the Mitchell-Stans trial, acknowledged that his testimony before the Proxmire committee on May 14, 1973, had been false in that respect. A part of that testimony, as shown in the record of that hearing, is as follows: "Mr. Cook. All I can do is look at the memoranda that set the complaint down and stated the 13th of November. And I have on my calendar a meeting with Mr. Sporkin on the 14th. I assume it was that conversation in which we talked about this. And I had the conversation with Mr. Stans on the 15th. I can't be specific. I just don't know." At the committee hearing on May 14, 1973, Cook was also interrogated to a considerable extent concerning the motivation for his inquiries or suggestions to Sporkin with reference to not filing the transcripts of testimony of the discovery witnesses. He at that time attributed those inquiries or suggestions to his independent judgment and not to the importunations of Stans. Sporkin testified before the Proxmire committee that Cook indicated to him he would be "appreciative, if the transcripts that dealt with the $250,000 were not filed if they did not have to be filed at that time." The Conclusion that Cook's suggestion relative to amending the pleading and against filing the transcripts was motivated by his prior conversations with Stans is inescapable.

On May 16, 1973, Cook resigned as Chairman of the SEC. On May 21, 1973, he testified before the Staggers committee.

We have carefully read the testimony of Cook before the Grand Jury on May 3 and 7, 1973, and his testimony before the Staggers committee, just as we have read the testimony in the other proceedings. The relator has not pointed out the specific testimony in those hearings which it claims is knowingly untruthful. Our reading of the testimony of those three hearings and comparing it with the facts stated in Cook's affidavit and his testimony at the Mitchell-Stans trial has uncovered no testimony which we can conclude is untruthful.

To lie is to make an untrue statement with intent to deceive. Webster's Third New International Dictionary, Unabridged. Even though a statement as to the truth of a fact is mistaken, the statement is not a lie if the sayer himself honestly believes it to be true. The relator, in support of its contention that the respondent lied before the Grand Jury on May 3 and 7, 1973, and before the Staggers committee on May 21, 1973, relies principally upon the seemingly unequivocal admissions of the respondent made on cross-examination during the Mitchell-Stans trial that he had lied on those occasions. The respondent, in his testimony before the referee, explains these admissions made during the Mitchell-Stans trial in the following manner. During a recess after the admissions were made, he had a conversation with one of the prosecutors. We now quote from the hearing before the referee: "A Well, I was disturbed because I had admitted on cross-examination concerning the truthfulness of prior testimony and the term perjury and the word lied, and I said that I really wasn't given an opportunity to explain those answers.

"I also said that many of the questions that I had been, especially Mr. Fleming was asking me, I had never been asked before, and that it made me appear as though I was in fact lying and had lied on many occasions, and I thought that had an adverse effect upon my personal integrity and credibility, and also was detrimental as far as the jury was concerned.

"You [Mr. Rosner] said that you'd make a list and that you had a list that had been made up of various sections, that you wanted them on redirect permit me to explain exactly my answers, why I said 'Yes, yes, yes.' especially to Mr. Bonner.

"Mr. Wing said that he was so pleased with my direct examination and that my credibility was such that he thought that all it would do would confuse the jury, the jury would know my own prior direct testimony, and that he did not want to go back and reconstruct each of these issues. He did say that he would ask me the one question, actually two questions, one, had I been asked all these questions before, which he did; and also permit me to say, which I was directing towards the April testimony, as to why I might have lied or why I did lie at that time, and that's the way it was left."

He was asked to explain his state of mind while undergoing cross-examination at the trial. "A The first time that Mr. Fleming, I believe he used the word 'perjury,' before I answered I looked at Mr. Wing hoping that, assuming that he would object. I then looked at Mr. Rosner, and there was a pause, a hesitation, and I thought at that time that the, the only answer under those circumstances could have been 'Yes.'

"Now in respect to Mr. Bonner, when he was going to the first, the second, the third, the fourth time at the end of his cross-examination, I again said 'Yes,' or 'That's correct,' I believe. I had no idea at that time what the consequences would be of those admissions which I feel really are not admissions in the sense that, yes, I lied, yes, I perjured, other than for the April date.

"But what I was really trying to say to them and what I tried to explain to Mr. Wing during the recess and what I tried to explain to Mr. Bonner and Mr. Fleming once or twice on cross was that each time after May 2nd that I gave sworn testimony additional facts were coming out. And even the affidavit itself which took four or five days to execute still does not have complete truth, and even today as I testified here this morning I recalled Mr. Sporkin's comment to me after I testified in the May 14th Proxmire Committee, where he said that was a helluva question to ask at a budget hearing.

"And each time that I do review these things I do think of some little fact which comes out which makes the truth more complete each time. And that's what I in myself felt when Mr. Bonner and Mr. Fleming were asking 'Did you tell the whole truth?'

"The answer would be 'No, I did not tell the whole truth.' On many occasions I wasn't given the opportunity to tell the whole truth. The people who were asking the questions didn't want the whole truth as that existed, nor did I recall the whole truth. That's what I meant when I made the admissions to Mr. Bonner and to Mr. Fleming."

We accept, as did the referee, the respondent's explanation insofar as his admissions of lying relate to the May 3 and 7, 1973, Grand Jury appearances and the Staggers committee appearance. An examination of the respondent's testimony at those three hearings discloses at most variances concerning dates, whether a particular thing was said at one time or another, and summaries of conversations which differ in language or completeness but not in substance. We believe the record shows the respondent did not lie on those occasions. Accordingly, there is no occasion to decide whether guilt of lying or perjury may be founded solely upon an extrajudicial admission without some other evidence of such conduct.

The respondent argues that censure or reprimand is, under the circumstances, a sufficient sanction for his admitted misdeed and any others of which the court may find him guilty. In support of this position respondent urges (paraphrased by us): (1) He made an early and complete disclosure and thereafter fully cooperated with responsible authorities. (Attested by letter from the prosecutor.) (2) He is a relatively young man who occupied a sensitive position in a governmental agency, and was subject to the direction of persons senior to him in age and experience and closely identified with the highest civil authority in the nation. (3) His conduct was an isolated transgression involving essentially a single course of conduct in an otherwise unblemished career. (His

record of previously high ethical standards as well as his present high legal competence is attested by witnesses and numerous letters from persons of good repute.) (4) He was motivated simply by desire not to injure Maurice Stans. (5) The office of the United States District Attorney, with whom the respondent cooperated, believed his cooperation with that office was complete and forthright. (Attested by letters from the United States District Attorney.) (6) Only two persons could testify as to what occurred in the conversations between Cook and Stans and, if Stans persisted in his version (as he did), Cook could have probably succeeded, had he so wished, in concealing the evidence from the government, but he did not seek to do so. (Attested by letter from the United States District Attorney.) Accordingly, he might have been better off if he had not admitted his involvement, which he nonetheless did to his personal detriment. (7) Cook cooperated without seeking or having been promised immunity on the charge of perjury. (Attested by letter from the United States District Attorney.) (8) He voluntarily resigned as Chairman of the SEC. (9) The publicity and humiliation attended upon Cook's disclosures and resignation are, in themselves, substantial punishment. (10) His continuation in the practice of law does not, under the circumstances, constitute a risk to clients, the public, or the administration of Justice. (11) The untruths, whatever they may have been, hurt no individual and did not result, and were not intended to result, in the obstruction of Justice. (12) Certain other lawyers involved in recent national scandals have been lightly dealt with. (13) He did not seek to plea bargain with either the District Attorney or the Watergate Special Prosecutor's force, and decisions by those offices not to prosecute Cook either for perjury or conspiracy to obstruct Justice were based respectively on policy consideration to encourage recantation and on the merits. (Attested by letters from those offices.)

The determination of what is appropriate discipline in this case is not without difficulty. Many matters must be considered. These include the nature of the offenses, the need for deterrence of similar future misconduct by others, maintenance of the reputation of the bar as a whole, protection of the public and clients, the expression of condemnation by society on moral grounds of the prohibited conduct, and Justice to the respondent, considering all the circumstances and his present or future fitness to continue in the practice of law. Drinker, Legal Ethics (1963), pp. 48, 49; State ex rel. Spillman v. Priest, 123 Neb. 241, 242 N. W. 433; In re Dreier, 258 F. 2d 68; State ex rel. Nebraska State Bar Assn. v. Butterfield, (supra) ; State ex rel. Nebraska State Bar Assn. v. Mathew, 169 Neb. 194, 98 N.W.2d 865; State ex rel. Nebraska State Bar Assn. v. Strom, 189 Neb. 146, 201 N.W.2d 391.

The offense of perjury is most serious, tending, as it clearly does, to defeat the administration of Justice and is always held to be ground for either disbarment or suspension. Matter of Sleeper, 251 Mass. 6, 146 N. E. 269; State ex rel. Nebraska State Bar Assn. v. Butterfield, (supra) . The record discloses that the offense under count I was a premeditated perjury, committed at the solicitation of a highly placed political figure from whom respondent had sought political favor. The lie before the Proxmire committee was essentially a spontaneous occurrence and a continuation of the original lie. The two, for purposes of discipline, may be regarded as one offense. The lie before the Proxmire committee on May 14, 1973, pertaining basically to the respondent's motivation for his suggestion of changes in the Vesco pleadings, seems to have a slightly different genesis and motivation, and appears in part, at least, to have arisen from the self-delusion to which even the best of men are sometimes susceptible. Not infrequently a particular action may be the consequence of diverse motivations, some of which may be unworthy or morally wrong and the others quite proper. After the fact there is a very human tendency, founded in part on the frailty of memory, to attribute one's actions to the more worthy motive. That may be true in this instance. At one point in his testimony Cook described a conversation with the prosecutors in which he, at that time, believed he recalled that he did, in fact, have a conversation with Sporkin relative to the pleading change even before he talked to Stans on November 15, 1972. When Cook was testifying before the Proxmire committee on May 14, 1973, on the line was his position as chairman of the commission. He could not yet then bring himself to admit that the conversation with Sporkin had not taken place until after the conversation with Stans.

We observe, because it is a circumstance surrounding the offenses which affect their gravity, that the record does not support any inference that Cook's actions, relative to the pleadings, were intended to obstruct Justice. It is clear that this was not his intention as he, at all times, realized that the same evidence was admissible whether

the matter was pled generally or specifically. He had no control over what evidence would be presented, and he knew as well that his colleagues in the enforcement division of the SEC fully intended to bring the $250,000 transaction to light. It would appear that what Cook desired was to cooperate with Stans in postponing a politically embarrassing disclosure. Cook did not then know of evidence, later coming to light, which indicated that other high-placed persons in the Nixon administration were attempting to exert influence upon the SEC to quash the Vesco litigation.

It is true that Cook made an early and ultimately complete disclosure and cooperated thereafter with the United States District Attorney. The disclosure, however, did not come until he was confronted with the accusation that he had lied. To his credit, however, it appears that his confession came with a sense of relief and that his wrong had weighed heavily upon his conscience.

Most of the specific items urged by Cook, as listed above, in favor of light discipline are either shown by the record or may be conceded, except insofar as our recital of the facts or comments have otherwise indicated. However, some others are deserving of special comment. One such item is the assertion that his acts hurt no one. This may be true as far as individuals are concerned. It may not be true as it relates to the administration of Justice. Cook was a principal witness against Stans. His having to admit before the jury in the Mitchell-Stans trial that he had earlier perjured himself on the same matter concerning which he was then testifying could not but affect his credibility with that jury. Whether the result was a miscarriage of Justice need not and cannot be Judged for the whole record of that trial is not before us. Suffice it to say that his admitted perjury may well have affected his credibility and so, as a consequence, the administration of Justice.

The fact that certain lawyers in other jurisdictions may have been lightly dealt with can be no consideration with this court. We are responsible for the discipline only of members of the bar of this jurisdiction and must adhere to disciplinary standards we believe appropriate.

The misconduct of respondent was not done at the behest of his superiors, but at that of a political figure having no official connection with the SEC.

It is clear from the record that Cook has previously observed high ethical standards in the practice of law and that his reputation in this respect, as well as professional competence, was excellent. Devious means do not appear to have been a way of life with him. The evidence of those who know him tends to show great honesty and fairness. Evidence in the record supports the Conclusion that he is sincerely contrite for the offenses committed by him. This, indeed, the record indicates, is in part responsible for his perhaps too ready admissions that he was not truthful in his appearances of May 3 and 7, 1973, before the Grand Jury and later before the Staggers committee.

A judgment of permanent disbarment is a most severe penalty, as anyone who is dependent upon some special skill or knowledge for his own livelihood will quickly recognize if he contemplates for a moment the impact of being deprived by judicial fiat of the use of that skill and knowledge. Disbarment ought not to be imposed for an isolated act unless the act is of such a nature that it is indicative of permanent unfitness to practice law.

The nature of the acts here do, however, go to the heart of the administration of Justice. We are, nonetheless, persuaded that there is no likelihood of repetition of this or any other unlawful or unethical conduct. Mere reprimand or censure, however, cannot, we believe, accomplish the multiple purposes of discipline as we have previously outlined them. Under all the circumstances, we find that the respondent should be suspended from the practice of law for a period of 3 years, provided that at the end of that period the suspension may be lifted upon an affirmative showing by him that he has not, during the period of his suspension, engaged in the practice of law in any manner whatsoever in this or any other jurisdiction and that he has not, during that time, engaged in any conduct which would subject him to discipline under the Disciplinary Rules if he were engaged in the practice of law and that he will not do so in the future. In the absence of such showing, the suspension will become permanent.

Costs of the proceeding are taxed to the respondent.

Judgment of suspension.
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When Pug left Washington, D.C., he went directly to California, where an investment group Thornton headed -- incorporated in 1954 as Electro Dynamics Corp. -- had purchased and merged into Litton Industries of Santa Clara and began developing equipment in the fields of automatic guidance, instrumentation, computers and controls, and precision electronic components. (See http://www.littongcs.com/history/home.htm and http://www.l-3com.com/edi/). Litton built a huge facility in Beverly Hills, and also acquired the former Music Corporation of America Building, later sold to Gary Winnick's Pacific Capital Group (Global Crossing). (See http://www.cerrell.com/releases/189rel.html) The importance of these details will become clearer later in this article.

From the Inner City Fund to the "inner city"--Los Angeles

Henry Kaiser, who bought the Vail Ranch in 1964, began consolidating other land tracts to eventually put together over 80,000 acres, believing Los Angeles would grow south and San Diego would grow north, and because Camp Pendleton would cut the growth on the coast in half, the two would "come together at Temecula," the site for Rancho California, which became a land developing project controlled by Macco Realty. The Macco company was an entity involved in the Penn Central bankruptcy, the relevance of which will be made clear in Part Two. (For a brief history of Kaiser and this area in California, see http://www.temelink.com/crallspace/chiniaeff.htm and http://www.kammeyer.com/firmhistory.htm and http://www.temecula.org/History.asp and http://www.worldcity.com/news/libertyship.html and http://detnews.com/history/pioneer/pioneer.htm and http://www.jailhurwitz.com/cronies/CAST_of_CRONIES/LEONE_William_C/McCULLOCH_OIL/HURWITZ_&_McCulloch-LEONE.txt).

When Charles Hurwitz began acquiring a company called McCulloch Oil in 1978, the chairman of the company was Charles Wood, Jr.--the man who had designed and engineered the construction of Disneyland in 1955. McCulloch Oil had been founded by Robert McCulloch, a close business associate of Wood. In 1960 McCulloch and Wood began to develop Lake Havasu City near Scottsdale, Arizona around a man-made geyser and the London Bridge, which had been transported across the Atlantic and reassembled. After Disneyland, Wood had gone on to build Freedomland in the Bronx, New York and to work with Toddie Lee and Angus Wynne of the Great Southwest Corporation in building Six Flags in Texas. The Great Southwest Corp., in conjunction with Webb and Knapp had gone into great debt in the early 1960s pursuing these projects and tried to recover by selling the corporate stock to the Penn Central Railroad owned by the Pennsylvania Company, which, at the same time, bought Macco Realty and Arvida.

What is intriguing about this is that McCulloch Oil, the Great Southwest, Macco and Arvida were very rich in land. This fact was no doubt known by David Murdock, who in 1964 had moved to Los Angeles from Phoenix where he had been involved in home construction. Although he was allegedly bankrupt when he arrived in California, he founded a company that made tile to be used in construction and later became a land developer and then a corporate tycoon. We do not know at this point whether Murdock, whose background before that time is extremely sketchy, may have been involved with the Bonanno family which had been involved in real estate development in Arizona. (See http://www.murderinc.com/fam/bonn.html and http://www.newsmakingnews.com/torbitt.htm and http://www.sanfran.com/features/Troubleinthepresidio4.html).

Pug Winokur went to work for Murdock in 1974, just before Charles Hurwitz began buying stock of McCulloch Oil (which owned up to 12,000 acres of land in Arizona). By this time these assets had been acquired by Kaiser

related corporations. Winokur's future employer, Palmieri, of Kerner Commission fame, had already left Los Angeles in 1969 to work for the Great Southwest Corporation and its parent Pennsylvania Co.—the corporation which had ended up with thousands of acres of land in Texas and California belonging to these corporations that had such elusive connections to Charles Wood.

Who pulled Murdock's strings?

Pug left Washington, D.C. in 1974 and moved to Los Angeles to work in a senior executive position with David Murdock's Pacific Holdings, at 10889 Wilshire Blvd. in Westwood, Los Angeles. Murdock's office was across the street from the Occidental Petroleum company and a few blocks south of UCLA. Murdock did not acquire Occidental, however, until almost 10 years later. When Michael Milken moved to California from Philadelphia in 1978 to open his west coast branch of Drexel Burnham Lambert, his office was only a few blocks east of Murdock's in Century City. Pug would remain with Murdock, who was then 51, until around 1980, the year Pug moved back to Philadelphia to work for Victor J. Palmieri.

In 1974 David Murdock was not known. He had not yet done anything that would make him famous or notorious. It was not until 1982 that his company, Pacific Holdings, announced it had purchased Cannon Mills on the East Coast, the profits of which he used, when he sold the company three years later, to acquire Occidental Petroleum--the oil company created by Armand Hammer, a man very close to the leaders in the Soviet Union. But Occidental, coincidentally, also owned an oil pipeline in the drug-producing country of Colombia. (See http://www.salisburypost.com/2000february/020600d.htm and http://www.essential.org/monitor/hyper/issues/1991/09/mm0991_07.html and http://www.miami.com/mld/miamiherald/2002/03/16/news/world/americas/2869995.htm).

David Murdock, who is often painted as a high-school dropout (http://www.forbes.com/global/1999/1011/0220080a.html), hired Pug Winokur, a man with a Harvard Ph.D. in statistical mathematics, the kind used, for example, in calculating gambling odds and setting values on derivative securities. Is it possible that Murdock was a front for what was really going on behind the scenes? Take Zapata, for example.

In 1974 Murdock operated David H. Murdock Development Company and Murdock Investment Co. By 1976 he controlled **Pacific Holding** which, according to SEC records, owned 29.2% of voting securities of International Mining Company (IMC) and the following year tendered an offer for the remaining shares, to be purchased with 20-year 9% subordinated debentures. At the time IMC owned 64.4% of Pato, a gold dredging company. SEC filings on Zapata in 1979 indicate that IMC of 200 Park Avenue in New York (coincidentally, the same address as the Federal Home Loan Bank of New York; also the current address of Mitsui Global Precious Metals), was the largest shareholder of Zapata with 10% of the common stock. By 1979 Pacific Holding owned all of IMC stock. Murdock became a director of Zapata in December 1979, while Winokur was a Murdock employee.

Although Zapata Offshore was a company of modest dimensions, under George H.W. Bush it had a network of subsidiaries which was suspiciously complex. Zapata Offshore filings with the SEC in Washington for the year 1960-1966 were "inadvertently" destroyed by a federal warehouse. During that time, a short profile of the Zapata Offshore corporate substructure researched by a Mr. Allan Mandel was submitted to Texas Senator Ralph Yarborough on October 13, 1964, which showed Zapata Offshore owned 50% of Seacat-Zapata Offshore Company, which operated the drilling rig NOLA III in the Persian Gulf. In addition, Mandel identified the following Zapata Offshore subsidiaries:

A. Zapata de Mexico
B. Zapata International Corporation
C. Zapata Lining Corporation
D. Zavala Oil Company

E. Zapata Overseas Corporation
F. Zapata owns 41 percent of Amata Gas Corporation.

Zapata Lining was the pipe lining concern; it was divested in 1964. Ownership of Amata Gas was shared with the American Research and Development Corporation of Boston. This Boston venture capital firm, closely tied to M.I.T., once had as its Technical Director our current Deputy Secretary of Commerce Samuel W. Bodman, who also worked for Fidelity Investments and the Cabot Corporation. Cabot Corp. was founded by Godfrey Lowell Cabot of the Massachusetts shipping family which made a great deal of money in the early 19th century in the opium trade in the Far East.

The Zapata Offshore filings with the SEC between 1955 and 1959 are cryptic, and the SEC files on Zapata Offshore between 1960 and 1966, when Bush had exclusive control of the company, were destroyed by the SEC either in 1981, when Bush had just become vice president, or somewhat later, in October, 1983, according to various SEC officials. Bush did resign as chairman and CEO of Zapata Offshore in February 1966, when he put his assets into a blind trust controlled by W.S. Farish III, our current Ambassador to the Court of St. James in London.

David Murdock and Zapata 1979

1979 Zapata Corporation SEC filing

William H. Flynn, Chairman of the Board of Directors

Chairman and CEO of Zapata from March 1969 to date. Pres. of Zapata from Feb. 1966 to March 1969 and from Oct. 1974 to date.

J.B. Harrison, President and CEO, Director

President of Zapata Corp. from Jan. 1970 to Sept. 30, 1974. V-P and Gen. Mgr. of International Exploration and Production for Atlantic Richfield Oil Co., NY, an oil and gas producing company from Sept. 1968 to Jan. 1970. President of the Company from Aug. 1972 to date.

W. Dow Hamm, Director

Independent petroleum consultant since December 1967. For the 25 years prior to that date, Mr. Hamm was employed by Atlantic Richfield Co. in various executive positions related to natural resources exploration, during the last three years of which he served as a Director, member of the Exec. Com. and Exec. VP for International Exploration and Production.

A.G. Gueymard, Director

Senior VP and head of the Petroleum and Minerals Dept. of First City National Bank of Houston for more than the past five years prior to his retirement in April 1973. Since that time, he has served as an advisory director of First City National Bank of Houston, and is an independent financial consultant.

Remuneration:
P.E. Baria   VP, Gen. Mgr for Europe and Africa
D.S. Hare   VP

[Zapata guaranteed payment for various companies. Here are a few references to those guaranties.]
March 29, 1979--Port Clyde Foods, Inc., wholly owned subsidiary, acquisition of sardine and herring processing.

May 22, 1979--Ocean Maid Foods Division of Granby, line of credit from The Toronto-Dominion Bank up to $5 million ($2MM increase), proceeds for working capital.
May 22, 1979--Ocean Maid line of credit from Bank of Nova Scotia up to $100,000 for plant payroll.
June 1, 1979--Zapata Off-shore, wholly-owned subsidiary, credit agreement with Manufacturers Hanover Trust, loans up to $16,700,000 for construction of two self-contained platform oil-drilling rigs.

Item 13. Security Ownership of Certain Beneficial Owners and Management. {page 19}
The following persons are known by Zapata to be the beneficial owners, as of December 2, 1979, of more than five percent of any class of Zapata's equity securities.

International Mining Corp. 10% of common--869,004 shares
200 Park Ave., NY

John F. Maher 5.9% common--527,964 shares
2131 San Felipe, Houston

Irving Zwecker 17.9% $6 preferred--12,000 shares
3800 Oaks Country Club Dr.,
Pompano Beach, Fla.

Saul Zwecker 14.9% $6 preferred--10,000 shares
11 Olympic Street
Rockland, Maine

Hugh Smith Haynie 7.9% $6 preferred--5,286 shares
Springfields, Apache Road
Louisville, Kentucky

Grossi Brothers 29.3% $2 preference--12,000 shares
208 S. LaSalle St.
Suite 604
Chicago, Ill.

International Mining Corp. (IMC) filed Schedule 13D with SEC, indicating that IMC also owns Zapata debt securities presently convertible into 4.598 shares of Zapata common stock, not included in the table. IMC is wholly-owned subsidiary of Pacific Holding Corporation, which is in turn a wholly-owned subsidiary of Murdock Investment Corp., all the stock of which is owned by David H. Murdock, 10889 Wilshire Boulevard, L.A., CA. Mur Murdock will reportedly make all investment and voting decisions with respect to the shares held by IMC, and thus is deemed the beneficial owner of such shares.

Directors and percentage of Zapata stock owned (I did not list less than 2%):

David H. Murdock -- 869,004 shares of common; 4,598 conversions for 873,602 total -- 10%

Officers and directors
as a group (22 persons) -- total 12.8% common

Item 14. Directors and Exec. officers.

F. Arnold Daum, director since May 1979, senior partner of Cahill Gordon & Reindel (since 1943); also director of Apco Argentina, Inc., Devon Group, Inc., General Signal Corp., Northwest Energy Company, Tenneco Offshore Co., and Westates-Italo, Inc.

A.G. Gueymard, director since 1973, independent financial consultant in Houston for more than five years; advisory director to First City National Bank of Houston; director of Camco, Inc. and Midhurst Corp.

Sam Israel, Jr., director since 1967; Exec. VP, director and chairman of Exec. Com. of ACLI International Inc. for more than five years; also director of New Orleans Public Service, Inc.

Ronald C. Lassiter, director since 1974; Pres. and CEO of Zapata since 1978.

George A. Lorenz, director since June 1979; retired as general manager of marketing department of Shell Oil Company in 1969 after 34 years service with Shell and subsidiaries.

B. John Mackin, director since 1966; chairman and CEO of Zapata since March 1979; also director of Tenneco. [Does not mention here his previous connection to Baker & Botts law firm]

David H. Murdock, director since December 1979; more than last five years sole proprietor of David H. Murdock Development Co.; owns all of the stock of Murdock Investment Corp; engaged in commercial real estate development and financial investments.

[Other items noted which may be significant]:

Zapata Granby Corp, a subsidiary of Zapata, had a loan outstanding to Rogert P. Taylor, formerly the senior VP of Mining of Zapata and President of Zapata Granby. This was an interest-free loan made to enable Mr. Taylor to purchase a home. Largest aggregate amount of the loan was $44,000 (Canadian). On November 30, 1979 the loan was transferred to Noranda Mines Limited in connection with the sale by Zapata of its Canadian mining assets.

During the fiscal year ended Sept. 30, 1979, Zapata had certain amounts of indebtedness owed to First City National Bank of Houston, largest of which was $19,949,576. Director Gueymard is an advisory director of First City.

Since Oct. 1, 1978 Baker & Botts has been paid $611,040 for legal services rendered to Zapata. B. John Mackin, chairman and CEO of Zapata was until March 1979 a senior partner of Baker & Botts. During same period Cahill Gordon & Reindel (NY) also provided legal services. Daum is a senior partner of Cahill. Zapata has not yet received a bill for such services.

(See an interesting reference to Zapata Offshore at http://www.jimmycarterlibrary.org/diary/1977/d072277t.pdf and
http://houston.bizjournals.com/houston/stories/1999/04/26/story2.html)

Zapata and United Fruit--the "Octopus"?

Reports in the business section of the Houston Chronicle shed some insight on what was happening with Zapata, even though Bush has alleged that he sold his 6% interest in the company in 1966. According to a Houston Chronicle article by Albert T. Collins on January 20, 1969 (the date Richard Nixon was inaugurated), Zapata Norness, Inc. (formerly Zapata Off-Shore) had been seeking to acquire United Fruit Co. stock by offering to exchange one share of convertible stock for every share of United Fruit stock tendered to it. A competing offer to purchase stock had been made by AMK Corp., which was recommended by officers of the fruit company. The following week, after Zapata had already received almost 31,000 shares, AMK Corp.'s chairman, E.M. Black, and Zapata Norness reached an agreement whereby AMK would pay Zapata $3.8 million to withdraw from competition for United Fruit. AMK would buy all United Fruit stock which Zapata

had purchased, in cash up to $3 million and would execute a promissory note for any amount in excess of the $3 million, payable at 6-7/8% interest in 10 equal annual installments.

Eli M. Black, who became the CEO of United Fruit as a result of AMK's acquisition, in 1975 "fell" to his death from his office on the 44th floor of New York's Pan Am building. A week later it was disclosed he had paid $1.25 million into a Swiss bank account on behalf of the president of Honduras in exchange for a $1-a-box banana export tax reduced to 25 cents. Two weeks later the government of Honduras fell, and the company' stock hit its lowest level of the century. Black's son, Leon Black, who as of 1996 was head of Apollo Advisors, used to head Drexel Burnham Lambert's mergers and acquisitions department. He once declared his purpose in life was to create the robber barons of the future, according to Mother Jones.

After Eli Black's death in 1975, Carl Lindner took over United Brands and appointed Max Fisher as chairman. Fisher amassed his fortune as a bagman for the "Purple Gang" that smuggled Sam Bronfman's booze from Canada into the speakeasies of the Midwest. Fisher made his "legitimate" fortune in the oil retail business in Michigan, through Keystone Oil, Aurora Oil, and Marathon Oil and then became one of the first Jewish businessmen who was a major donor and fund-raiser for the Republican Party. In 1984 Cincinnati financier, Carl H. Lindner, who owned 65% of the company, installed himself as chairman, put his son Keith in charge of Chiquita and moved the headquarters to Cincinnati, where he nursed the company back to financial health.

A somewhat different account of those years is evident in an article written by Monica Perin for the Houston Business Journal (see http://houston.bizjournals.com/houston/stories/1999/04/26/story2.html), which is quoted below. It contains no reference to David Murdock, the biggest shareholder, nor does it mention anything about the attempt to buy United Fruit.

Bush had resigned as chairman of Zapata Offshore to run his congressional campaign. When he won, he sold his 6 percent stake in Zapata for $1.1 million. Within 18 months, the stock of Zapata, under new management, doubled in value.

During the 1960s and 1970s, Zapata, under chairman and CEO William Flynn, expanded its business to include subsidiaries in dredging, construction, coal mining, copper mining and fishing.

But by the late 1970s, saddled with weak operations, high debt and low return on investment, the company again began undergoing changes in management and direction. Lead by John Mackin, who succeeded William Flynn, the company began selling off some of those businesses and trying to refocus on offshore oil and gas exploration and production.

In 1982 chief operating officer Ronald Lassiter assumed the role of CEO -- just in time to preside over a decade of red ink brought on by the collapse of oil prices.

By 1986 Zapata was one of the bad loans that shook the foundations of San Francisco-based Bank of America, with a debt of more than $500 million and a fiscal year loss of $250 million.

The company announced several restructurings during those years and managed to stave off bankruptcy more than once. By the late 1980s, Zapata's oil service operations were consistently chalking up major losses.

In 1990 the oil drilling company proposed selling its entire fleet of offshore drilling rigs to focus solely on fishing. The company had not had a profitable quarter in more than five years.

Still struggling with debt by 1993, Zapata signed a deal with Norex America to raise more than $100 million through a loan and stock sale. But financier Malcolm Glazer, owner of the Tampa Bay Buccaneers NFL franchise and then-owner of 40 percent of Zapata, didn't want his holdings diluted and filed a lawsuit to block the deal.

A month-long standoff and a fierce proxy fight delayed the company's annual meeting. But when the dust settled, Glazer and his son, Avram, were members of Zapata's board. A year later, Malcolm Glazer became chairman of Zapata, replacing Ronald Lassiter, and in 1995 Avram Glazer was named CEO and president of Zapata.

What really did happen at Zapata Offshore after George Bush went to Congress in 1967? Who owned Pacific Holding when David Murdock took it over? And what was Pug Winokur's role in transforming David Murdock's operations from a company that made tiles to one that was involved in secret control of a most suspicious corporation.

Unfortunately, these are only questions at this time. The answers are yet to be discovered. Perhaps you have some of those answers, or can help us find them. We need more help in following this thread that leads to Enron.

Part Two of this series explores Pug Winokur's next employer, and his connections in California and in Philadelphia.

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FOLLOW THE YELLOW BRICK ROAD: FROM HARVARD TO ENRON

PART TWO

by Linda Minor © 2002

Why Did Pug Go Bananas?

We learned from Part One (Click) that Pug Winokur began working in 1974 for David H. Murdock's companies based in Los Angeles, CA. We also looked at information indicating that during the time Pug was at Murdock's Pacific Holding Corp., that company acquired 100% of the stock in International Mining Company--the largest shareholder of Zapata common stock. Two directors of ITC were closely connected to AtlanticRichfield, one director a long-time employee of Shell Oil. There were also close connections to First City Bank of Houston, which a Congressional investigation in 1976 found to be heavily immersed in influence from the Rothschild Bank of London.(1) Between the years of 1966 (when George H.W. Bush resigned as chairman and CEO of Zapata Offshore) and 1974 (when Pug went to work for Murdock), Zapata, the management of which interlocked with that of AtlanticRichfield, (2) was attempting to acquire control of United Fruit Company. Understanding United Fruit's real history, and its financing apparatus through an international investment consortium that dates back at least 100 years, brings Pug's role in that takeover attempt into sharper focus. That history is set out more thoroughly in Part Two-A. Click and Part Two-B Click.

After Zapata lost its attempted takeover and accepted greenmail from United Fruit in 1969, Eli Black took charge of United Fruit. He expanded horizontally from tropical fruit into meat-packing and food packaging and distribution. This was a globalization model that was matched by Murdock's Pacific Holdings in the direction it took Zapata. Murdock Investment Co. acquired the food packaging company Continental Can in conjunction with Peter Kiewit & Sons (3) -- a road construction company in Omaha, Nebraska that built more miles of interstate highways than any other company. One of the Continental subsidiaries made bottle caps for beer cans--not dissimilar from Black's original company AMK, which made caps for milk bottles. Pacific Holdings, also acquired Iowa Beef Producers (IBP), which tracked Black's acquisition of John Morrell. By 1985 Murdock had acquired Castle & Cooke Corporation which in 1967 had acquired all stock in Standard Fruit and Steamship Company, another competitor in global food distribution.

By mid-1975 Black was in debt and in the midst of a bribery scandal. Whether he jumped or was pushed from his 44th floor office in the Pan American Building, no one can really say. But his death certainly made things easier for Murdock and the people he was fronting for. Within six months of Black's death, Carl Lindner, Jr. in early 1976 was named president and was elected to the board of United Brands. Lindner increased his buying of United Fruit stock in 1978 and had control by 1984. At the same time, Lindner took control of the Penn Central Co. for which both Palmieri and Pug would work in the 1970s and 80s. Lindner is thus the link between Pug's role at Murdock and his new job in 1980 with Palmieri. By the time Pug left L.A. in 1980 to return to his old stomping grounds in Philadelphia, Palmieri had been at Penn Central for over 10 years. It was almost as though he had been sent there by powerful men whose corporations had acquired valuable assets which they tried to hide within the railroad corporate structure, in order to siphon them off at a later date. Most of the assets, many in the form of undeveloped land, had connections back to California. [For Palmieri's Who's Who, Click.]

Born in West L.A.

Palmieri's experience can be set out in the following order:

1. Associate attorney at O'Melveny & Myers, L.A., 1955-59.
2. Executive vice president, Janss Investment Corp., L.A., 1959-63.
3. President, Janss Investment Corp., L.A., 1963-68.
   While president at Janss, developed Snowmass in Aspen, Colo., and refurbished Sun Valley, Idaho
   Deputy executive director, National Advisory Commission on Civil Disorders (Kerner Commission), 1967-68
4. Chairman of the board, Palmieri Co., N.Y.C., 1969.
5. Chairman, Pennsylvania Co. and its subsidiary, Great S.W. Corp., 1969-77.
   Ambassador-at-large, U.S. coordinator of Refugee Affairs, Dept. State, 1979-81
   Trustee of Rockefeller Foundation, 1979-89

Palmieri has stated that he was "president of the Janss Investment Corporation when it developed Snowmass in Aspen, Colo., and refurbished Sun Valley, Idaho." The latter ski resort was built from 1931 to 1936 on Union Pacific Railroad land by Averell Harriman's family, who hired Janss in 1964. It was this development project which Victor Palmieri credits with making his fortune (The New York Times, May 9, 1982). (4) The Harriman family were, of course, the partners or employers of Prescott Bush, George H.W. Bush's father in the Brown Brothers, Harriman investment bank, which was the venture capital source for Bush's oil companies. It is therefore extremely likely that the BBH capital remained in Zapata after Bush's exit. It is also possible that Bush may have continued his connection to Zapata through an undisclosed nominee. Without full disclosure of the corporate records, long since shredded or otherwise made invisible, we can never know for sure.

At the conclusion of Part One we posed certain questions: What really did happen at Zapata Offshore after George Bush went to Congress in 1967? Who owned Pacific Holdings when David Murdock took it over? And what was Pug Winokur's role in transforming David Murdock's operations from a company that made tiles

to one that was involved in secret control of a most mysterious corporation? Exploring Pug's next employer more closely may help to answer those questions.

We know that David Murdock moved to Los Angeles from Arizona in 1964 to the same area, Westwood and the area around UCLA, developed by Janss Investment since the 1920's. The architecture was in the Mediterranean style and required a large amount of tiles for use in roofing the buildings. It is likely that Murdock's tile-making company had connections with the Janss developers, i.e. Victor Palmieri. Interestingly, in 1907 the Janss company had started development of Yorba Linda, the city where Richard Nixon was born and reared, on land owned by Jacob Stern, which had been a system of experimental farms very similar to those in Texas described in Part Two-B.

Pug had a senior executive position with Pacific Holdings, at 10889 Wilshire Blvd. in Westwood, just across the street from the Occidental Petroleum company and a few blocks south of UCLA. Intriguingly, Palmieri's career had also begun in this same area of Los Angeles, first at O'Melveny & Myers (Warren Christopher became senior partner there in 1958) and then at Janss Investment in Century City, across the street from the Twentieth Century Fox Theatre. In 1956-57 the area between Westwood and Los Angeles proper, now called Century City, was owned by Twentieth Century Fox; it was the Tom Mix ranch and the backlot. But the studio needed cash and decided to sell off this 260 acres of real estate. William Zeckendorf, a Rockefeller-connected developer in New York (who hired Disney's engineer, Charles Wood, to build Freedomland park and who was a partner with Toddie Lee and Angus Wynne in developing the Great Southwest project in Texas), was contacted. He agreed to buy the land and lease back a portion to the studio for one and a half million dollars a year. Zeckendorf eventually sold out his interest to the Mellon family's Alcoa. He states in his autobiography that he became great friends with "General Richard Mellon," whose family has long been connected to O.S.S. and C.I.A. activities, as well as with Gulf Oil, which was an investor brought into the Zapata Corporation by the Liedtke brothers.(5)

By the time Palmieri went to work for Janss Investment, the Janss brothers had sold a half interest in the commercial properties, in 1955, to Arnold S. Kirkeby of Chicago, owner of a chain of hotels including the Beverly Wilshire at Wilshire and Rodeo Drive. Kirkeby changed the design of the village by bringing in highways and high-rises. The Arizona Project, a journalistic investigation into mob activities in Arizona, which found strong financial links between Arizona real estate development and construction of Las Vegas casinos, also noted: "For [Del] Webb, the Flamingo experience (6) led to a series of deals with other developers who had their own ties to the Mob-dominated Chicago political machine, including Henry Crown and Arnold S. Kirkeby of Los Angeles. "

In those days the political machine in Chicago was controlled by Jake Arvey, with assistance from Cook County Finance Chairman Sidney Deutsch and Arthur X. Elrod. The Moe Annenberg wire service paid off the political machine and police, as concluded by findings of the Kefauver Hearings on organized crime. In Deep Politics and the Death of JFK, Peter Dale Scott cites several sources for his statement that Henry Crown had been involved in real estate deals in Cook County with Jake Arvey and Walter Annenberg, Moe's son. In 1963 Crown was also "the major stockholder (with 20 percent of the shares) of General Dynamics, the defense contractor whose controversial TFX created a major political scandal just before the Kennedy assassination." This contract had been awarded by Secretary of Defense Robert McNamara--Pug's employer in 1967. Kirkeby was an intimate associate of the same criminal underworld which moved to Hollywood and Beverly Hill to make movies and music.

The Mob takes Penn Central

Peter Dale Scott, who turned up dozens of links between the Mafia and the intelligence community while investigating the JFK assassination, discussed the Great Southwest Corporation (GSC) in Deep Politics--pointing out that the stock, owned by the Wynnes, individually and through their corporate entities, had been sold over a period of years to the Pennsylvania Company--merged in 1967 into the Penn Central Railroad--

resulting in its bankruptcy when the value of the stock collapsed in 1969. The collapse was triggered when Penn Central Transportation Co. defaulted on $200 million of short-term commercial paper, issued by Goldman Sachs soon after the merger with the New York Central. Because of the sharp decline in stock value, coupled with the largest Teamsters' pension fund loan ever made up to that time, Congress began an investigation in 1970. Sound familiar?

According to Connie Bruck in her book Predators' Ball, the potential value of Penn Central bonds had been discovered soon after the bankruptcy filing. As she states: "The renowned trader Salim 'Cy' Lewis of Bear, Stearns had made a fortune buying the bonds of bankrupt railroads in the forties. [Michael] Milken would follow in Lewis' footsteps by buying Penn Central bonds, on which his clients made killings.... As default was thought to be near and bond holders panicked, Milken was there to pick up the distress-sale merchandise, often at ten and twenty and thirty cents on the dollar." (pp. 33-34). How did Milken know these bonds would make money?

Milken's first customer at Drexel, Burnham in Philadelphia in about 1970 was Meshulam Riklis, an eastern European Jew with a mysterious past that included service in the British 8th Army, 1942-46, followed by work with the Israeli Haganah. Riklis completed his B.A. from Ohio State in 1950 and got an M.B.A. there in 1968. He first worked for Piper, Jaffray & Hopwood in Minneapolis--brokers of commercial paper securities--which focused on Minnesota's growing grain elevator and milling industries. In 1956 he set up his own conglomerate called Rapid-American Corporation by acquiring companies such as Playtex International, Lerner Shops and RKO movie theatres. In 1967 Riklis paid cash for Lewis Rosenstiel's stock in Schenley Industries, while giving the other shareholders bonds for their shares. Schenley was a distilling company with a shrouded past.

During 1967-71 Schenley employed a consultant named Charles Sydney Miner, a man who had been a journalist during WWII in the China-Burma-India theater assigned to the Quartermaster General (unit responsible for supply, distribution and transportation--including petroleum supply and logistics--for the Army) and then worked as "China manager" for American International Companies in Shanghai in 1948-56 where he would become "investment counsel" to C.V. Starr & Co., Inc. in New York until 1962. Miner's Who's Who is silent about his activities from 1962 to 1967, the year he became a consultant for Schenley and Rosenstiel. Schenley was a member of the syndicate formed at the end of the war between organized crime and military intelligence. Riklis served as a front to convert this liquor distributor from Rosenstiel's control. Today Starr International Company (SICO), owns 13.62% of the stock of the giant American Insurance Group (AIG), which is headquartered in the Bahamas. (7)

Stephen Birmingham, in his book about the rise of the Eastern European Jews in America, called "The Rest of Us," states that Rosenstiel had been a bootlegger during Prohibition and caught the eye of Canadian Sam Bronfman. "Lew Rosenstiel had spent the Prohibition years boldly transshipping contraband liquor from England, Europe, and Canada via Saint Pierre and then, by truck, right into Cincinnati, Rosenstiel's hometown and center of operations. In the process, he was building what would become his giant Schenley Distillers Corporations. Bronfman and Rosenstiel had met often, during the latter's trips to Canada and had become gin-rummy-playing friends." (pp. 245-46) They worked out a 50-50 partnership deal in 1933 which required the Seagram's Co. to buy half of Rosenstiel's stock. The proposed merger soon fell apart, and the two became fierce competitors if not outright enemies, at least in business. They still maintained social closeness, according to Birmingham. Rosenstiel's second wife, Leonore Cohn--raised by her uncle Harry Cohn, the head of Columbia Pictures in California--was previously married to a Las Vegas businessman named Belden Kattleman. She left Rosenstiel to marry Walter Annenberg, whom President Nixon would name to be Ambassador to the Court of St. James. (8)

Riklis financed stock purchases by issuing high-interest bonds payable by the new company to the former shareholders. He began teaching Milken in 1970 that bonds (debt) increased cash flow because the payments were deductible, whereas dividends paid on equity holdings were not. Milken would, however, remind Riklis years later, after buying $100 million of the debt of Riklis' Rapid-American: "You own a lot of the equity in

your companies, but I own your debt. And your equity is not worth the paper it's printed on unless your bonds are valuable. Riklis is working for Milken." (Bruck, p. 39)

Another of Milken's first customers, dating to around 1974, was Carl Lindner, Jr., who was also a major shareholder of Rapid-American. Prior to that he had acquired Cincinnati's Provident Bank in 1966 after starting out with milk retail stores. He quickly began buying Penn Central bonds. Victor Palmieri had gone to the Pennsylvania Company, and its subsidiary Great Southwest Corp. in 1969 as soon as the Penn Central bankruptcy was filed. He had just released the Kerner Commission's report stating that America was composed of two societies--one white and one black--and that the cities were going to smolder. This was the same time Pug left Defense and started the Inner City Fund. Penn Central was the first job Palmieri ever had other than land development. Why was he chosen?

According to the Pittsburgh Post Gazette Monday June 22, 1970, the Penn Central had assets of more than $6.5 billion. Its stock after the merger climbed to $86 per share, but closed a year later at eleven and 1/8 cents. Many of the 23 million shares were held by the 94,000 employees of the railroad, who would soon lose their jobs. The price of the stock had soared in spite of the company's reported $121.6 million loss in 1969 and another $80 million in the first two quarters of 1970. The stock began to tumble after an appeal for a government guaranteed loan came on the heels of a failure in May to float a $100 million debenture at over 10 per cent interest. Nixon's Defense Department had also sought to push through a $200 million loan guarantee. (http://www.trainweb.org/pt/pc.html).

Penn Central may have defaulted on the short-term debt, but that doesn't mean it didn't own a tremendous amount of illiquid assets. These were set out in the report issued by the Congressional Committee following its investigation. The primary asset was land, and lots of it. There was land in California, in Texas and in Florida. Penn Central Vice President William R. Gerstnecker boasted in 1968 before the crash: "We are ... large owners of undeveloped land in the center of big cities." The total value of Penn Central's nonrailroad land was estimated by Forbes at certainly over $1 billion. ("The U.S.'s Greatest Realtor," Forbes, 15 February 1968.)

Great Southwest

The Pennsylvania Co. first got involved in these land purchases by buying the corporate stock of the Great Southwest Corp. in 1963. This 2,500 acres of land was located between Dallas and Fort Worth and, before 1955 had been owned by the W.T. Waggoner Estate, whose attorney had been Robert B. Anderson. Anderson was also attorney for Sid Richardson, uncle of the notorious Bass Brothers. Richardson was also the best friend of Clint Murchison, Sr., whose attorney was Bedford Wynne. Say no more. These Texas oilmen and bankers had managed to elect Eisenhower president and then convinced him to appoint Anderson as Secretary of the Navy (in charge of the Elk Hills oil reserves in California among other things) and in 1957 as Secretary of Defense. This is the group Eisenhower was warning us about when he said to beware of the military-industrial complex.

By the 1960s aircraft manufacture in Texas was located chiefly in the area of Grand Prairie, Arlington, and Fort Worth, and an expanded radius from there--and was second only to the entire state of California in aircraft production. North American Aviation's facility had been adapted by LTV (Ling-Temco-Vought), and the Fort Worth General Dynamics or "Convair" plant was completed in 1941, which by 1965 ranked first in the nation in the export of defense weapons. It was noted for bomber production and the controversial TFX contract awarded by Secretary Robert McNamara. The Great Southwest Corporation's land was in the center of this complex. Out of the total acreage only about 200 acres went into the amusement park called Six Flags Over Texas. The remainder was designed as an industrial district for defense contractors. It may be only a coincidence but a major investor in LTV was D.H. Byrd, who also owned the building leased to the Texas School Book Depository while Oswald worked there. D.H. Byrd, an oil associate of both Sid Richardson and Clint Murchison, was also a fellow-director of Jack Crichton's Dorchester Gas Producing Co. (see Part Two-B).

In addition to creating an industrial district, Wynne had also made improvements to the spur railroad track leading from the land to the railroad connections owned as a partnership by the Texas and Pacific and the Chicago, Rock Island and Pacific railroads. The Texas & Pacific had connections to the Jos. E. Seagram Co., which had acquired the railroad's mineral rights. Seagram's also had a huge stake in General Dynamics along with Henry Crown. The defense contractor had actually started in Canada as Canadair. In 1964 the Chicago, Rock Island and Pacific sought approval for a merger with the Union Pacific, which was not forthcoming. This railroad owned 50 percent interest in the Galveston Terminal, 45 percent interest in the Great Southwest, and one-eighth interest in both the Houston Belt and Terminal and the Union Terminal Company at Dallas. These railroad interests are related to Santa Fe and Burlington companies, which have real estate and mineral assets in New Mexico and West Texas. These interests connect the Bush family to Robert O. Anderson, since ARCO also has interests in the same assets. The Bush interests go back to the days when G.H. Walker in St. Louis acted as investment banker for various lines in the railroads that became the Santa Fe and the Burlington railroads--which have since been merged. The ranch near Crawford, Texas that George W. Bush chose to buy, even though it wasn't on the market at the time, is tucked into a curve of this railroad.

The Great Southwest railroad was not the only business in which the Bushes were involved with the Bronfmans. The former Dresser office building in downtown Houston (now Halliburton) was sold to TrizecHahn, which was a syndicate-owned company set up by Zeckendorf (Angus Wynne's partner in the Great Southwest Corp. before the Penn Central fiasco) with British, Canadian and Boston investors. Bush himself was involved in Barrick Gold with some of the same investors a few years ago.

Macco Realty

The next group of land was owned by Macco Realty which the Pennsylvania Co. began buying in October 1965 and ending in July 1966. According to the Congressional report, the properties consisted of 3,500 acres of the Porter Ranch in the San Fernando Valley, a 2/3 interest in the Bryant Ranch of 5,000 acres near San Juan Capistrano, and a 1/3 interest in the 87,500-acre Rancho California in Riverside County. The question is, who would have benefited from this sale had the stock of Penn Central not collapsed when it did?

Macco also owned other land in California--the Vail Ranch which sold in late 1964 to a partnership composed of Kaiser Aluminum and Chemical Corporation, Kaiser Industries, Inc., and Macco Realty Company of Corona del Mar. The developers renamed the ranch land "Rancho California." Between 1965 and 1967 6,000 acres of Rancho California land were sold to the Boise Cascade Company, and another 6,000 acres to Palomar Land Company, a subsidiary of Richfield Oil. Robert O. Anderson's Atlantic Refining thus acquired Palomar in 1966 when it merged with Richfield. After Pug left ICF, it would later merge with the engineering company that had spun off from Kaiser.

Arvida

The Penn Central Co. at the time of its collapse also controlled the Miami-based Arvida Corporation, which owned hundreds of thousands of acres of land in Florida, as well as land in the Bahamas. The land was purchased from the Arthur Vining Davis Foundation after Davis' death in 1962. Davis had been president and chairman of Alcoa for many years. The company, perhaps through a subsidiary, is also connected to Alfred I. DuPont, founder of the St. Joe Paper Company, which is the parent of Arvida Realty Services. After the Penn Central Co. bought the land that had been owned by an Alcoa executive, it hired Charles Cobb, Jr., who had worked for Alcoa's competitor, Kaiser, to oversee the asset. Charles Cobb, Jr. was President and CFO of several subsidiaries of Kaiser Aluminum and Chemical Corp., 1964-1972 before he became President and Chairman of the board and CEO of Arvida Corp., 1972-1980. He then served as group president of the Penn Central Corp., 1980-1982, Director of the Penn Central Corp., 1982-1983, Chairman and CEO of Arvida Disney Corp., 1983-1987.

In 1975, Charles E. Cobb, Jr. recruited John Temple to come to Florida. In 1967 Temple had been in charge of real estate acquisitions for the Kaiser Aluminum Co. in Oakland, California, and along with several associates,

purchased Arvida from its parent Penn Central Company in 1983. In 1984 he merged Arvida with the Walt Disney Company. One of Arvida's properties was the Boca Raton Resort & Club, originally known as The Cloister. In 1983, Arvida sold the Resort to the Chicago-based VMS Realty Company, a real estate syndicator. However, by 1990, VMS was nearly bankrupt, because its main creditor, a savings and loan bank had failed, putting the Resort in danger of foreclosure. Mr. Temple then came to the rescue.

In 1926 The Cloister was acquired by Chicago-based Central Equities Corporation (a subsidiary of Central Trust), run by Rufus Dawes and his brother, U.S. Vice President Charles Dawes, when they took over Addison Mizner's Development Corporation. Title passed to Clarence Geist, a utilities magnate, who had been an investor, then to J. Myer Schine who sold it to Arthur Vining Davis, in 1956. In 1997, the Resort & Club was purchased by H. Wayne Huizenga and Florida Panthers Holdings, Inc. for $325 million. In 1999, Florida Panther Holdings changed its name to Boca Resorts, Inc.

Cobb was amply rewarded for directing the sale of Arvida to former contacts at Kaiser. He was named Under Secretary for Travel and Tourism at the Department of Commerce before becoming Ambassador to Iceland. His wife is now Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica and was previously Managing Director and General Counsel of Cobb Partners, Ltd., a Coral Gables, Florida, based private investment firm with interests in several businesses including real estate, resort development, and tourism-related enterprises. Mrs. Cobb previously was in practice with the Greenberg Travis law firm where she was the founding partner of the firm's public finance department.

Arvida is also connected to the Bass brothers of Fort Worth, who also have an interest in Burlington Industries. The Basses recently took a big hit on their stock in Disney. In 1987 Disney sold Arvida to JMB, a sale instigated by Barry S. Sternlicht then fresh from Harvard business school. "Sternlicht knew the assets, having analyzed Disney's real estate holdings as part of a Harvard project. 'Barry was just two months out of school, and he was opening doors for us at Disney,' says JMB President Neil G. Bluhm." JMB had been founded in 1968 by Robert Judelson, Judd Malkin, and Neil Bluhm; Judelson (the "J" of JMB) is no longer involved with JMB, but Malkin remains as chairman and Bluhm is president. Judd Malkin is married to Rachelle Belfer, daughter of Robert Alexander Belfer, of Belco Oil and Gas, which merged into Enron. Both the Malkins and the Belfers are huge donors to Harvard.

Spooks in the Looting of Penn Central

* Maurice Stans

The adviser for Penn Central was the investment bank of Glore Forgan, Wm. R. Staats, Inc.--which, like Arthur Andersen in Enron, had numerous conflicts of interest in advising both sides in the stock transfers that were made. In 1963 Maurice Stans (later finance chairman for Richard Nixon’s Committee to Re-elect the President--CREEP), became a partner in William R. Staats & Company, which merged in 1965 with Glore Forgan--an investment bank owned by J. Russell Forgan. During WWII, Forgan had been the boss of William Casey while they were in London in the OSS. After Nixon's election in 1968, Casey contacted Forgan and asked him "to write to Nixon's finance man, Maurice Stans," who was aware of the money Casey had given to the Nixon campaign. It was not until 1971, however, that Casey was offered the job as chairman of the Securities and Exchange Commission first by "White House personnel man" Peter Flanigan and a few days later from Nixon himself. Flanigan is now Senior Advisor with Warburg Dillon Read LLC; his family controlled the syndicate-connected Manufacturers Hanover Trust in New York, which in 1937 merged with Equitable Trust, then with Chemical Bank. It is now part of Chase Bank.

Casey and Forgan, working for Wild Bill Donovan, had been primarily concerned with infiltrating German intelligence at the end of the war in order to gain information about the Russians. Another associate in their

group had been Arthur J. Goldberg, labor lawyer and general counsel for the CIO until 1961--who would be appointed by JFK to be Secretary of Labor and less than two years later to the Supreme Court, from which he resigned in 1965 to be Ambassador to the U.N. It was his idea to use German laborers as agents in the OSS. Goldberg was also responsible, according to Fletcher Prouty, of devising a strategy that would allow Robert McNamara to award the largest ever defense contract to General Dynamics.

Before Stans became associated with Glore Forgan, he spent many years as an accountant in Chicago before becoming Eisenhower's director of the Bureau of the Budget from 1958-61. He then moved to California as president and director of Western Bancorporation, Los Angeles (which would later become First Interstate), where other directors included Nixon's former law partner, Sherman Hazeltine from Adams, Duque and Hazeltine, and **John McCone**, former director of the CIA as well as director of ITT and Standard Oil of California. During this period, Stans also was vice chairman and a director of the United California Bank, a trustee of Pomona College, chairman of a committee in Los Angeles County government, and on a commission to revise the California state constitution. Pomona College is just east of L.A., a few miles north of Yorba Linda and northeast of Whittier--Nixon's home turf. Stans also served as director of Fluor Corporation from 1963 to 1969. Robert J. Fluor, the president of Fluor, was the 1964 Republican finance chairman for Los Angeles County and got in trouble for making illegal gifts to Goldwater in 1964.

In "The Moneymen," an article by Stu Bishop and Bert Knorr included in Big Brother and the Holding Company: The World Behind Watergate, edited by Steve Weissman, the authors state that when Forgan stepped down from his job as commander of European operations for the OSS in 1946, he recommended Allen Dulles to be his replacement. Forgan had "close ties to European capital," including a directorship at Italian Superpower. His firm created the Eurofund, the first investment fund of its kind, to buy up holding in European corporations. One of his directors was Charles Englehard who owned Minerals and Chemicals Co. of Newark, New Jersey and controlled the world's supply of platinum. Other Glore Forgan partners were William Jackson, a member of the commission that set up the CIA in 1947, Richard Millar, a director of Northrop Aircraft and Charles Hodge of Penn Central. Hodge had helped David Bevan set up an investment firm called Penphil at the Pennsylvania Co. in 1962. Penn Central poured $21 million into Penphil's investment in Executive Jet Aviation.

How did Stans become so politically connected in California in such a short time? Was he sent there specifically after Nixon lost to Kennedy to arrange financing for Nixon's next campaign, even though Nixon had by then moved to New York?

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Herbert Kalmbach

Nixon's personal lawyer, Herbert W. Kalmbach, served as Stans' deputy fundraiser, who took charge of a $1.7 million surplus slush fund at the end of the 1968 campaign. These funds were placed in various bank accounts and parceled out to pay for political sabotage against Nixon's "enemies." Kalmbach's background was as vice president at Security Title Insurance in Los Angeles and prior to that at Arizona Title Co. From 1964 through 1967 he was vice president and director of Macco Realty. He also formed a law firm in 1967 in Newport Beach, California, where his clients in 1969 included Atlantic Richfield Co. and one of its directors, Donald Kendall, who was chairman of Pepsico. He also represented the Great Southwest Corporation and Glore Forgan, Staats. In 1970 Martindale-Hubbell shows Kalmbach's clients to have included the Flying Tiger Line which changed its name to Tiger International in 1974 and merged into Federal Express in 1989--and the Nixon Foundation. Later clients included Dart Industries, Marriott Corp., Music Corporation of America (whose president Taft Schreiber served on CREEP's finance committee in 1972), United Airlines, Morrison-Knudsen (which, along with Brown & Root, made a fortune in construction in Vietnam military facilities), and Northrop.

*

William Casey

The looting of the Penn Central could not have occurred in the form that it did without the work of Bill Casey. Stans and his associates set up the company to be looted, but it was Casey who was in charge of the Securities and Exchange Commission while the assets were being stripped by Palmieri and his subordinates like Pug, and like John A. Koskinen, who has been Deputy Director for Management at OMB since 1994. Koskinen, a graduate of Yale Law School in 1964, did post-graduate work in international law at Cambridge University in England from 1964 to 1965. He worked for Palmieri Company for 21 years and was president for many of those. As such, he was responsible for "reorganizing the non-rail subsidiaries of the Penn Central Transportation Company and for development and disposition of the Penn Central's real estate and energy assets, served as an investment manager of real estate investments owned by the Teamsters Union's Central States; was Divestiture Trustee and manager for Levitt and Sons, Incorporated; successfully restructured Baldwin-United Corporation, a large diversified financial services company; provided management services to the Resolution Trust Corporation; and rehabilitated Mutual Benefit Life Insurance Company, the largest failed life insurance company in U.S. history." (http://clinton1.nara.gov/White_House/EOP/OMB/html/jakbio.html).

The Penn Central assets were not sold for the benefit of the company or its former employees or their pension fund. They were directed to vultures who were ready to scoop them up for pennies and put them in reserve--vultures like Riklis and Lindner--with assistance from Michael Milken, a man who could not have done what he did if anyone other than Bill Casey had been at the SEC helm. Casey knew exactly what he was doing, as did his enforcement deputy, Stanley Sporkin. (9)

After participating in a game of charades during the 1970's at the SEC, Casey became Director of the CIA in 1981 following Reagan's election. Sporkin, in 1980, shortly before leaving the SEC and knowing that he and Casey would not be able to continue their game, agreed to allow Meshulam Riklis to take Rapid-American private. Similar approval was quickly given to Lindner and Saul Steinberg of Reliance. By this action, these corporations were allowed to do their deeds in the dark.

Thanks to Desiree (Dee) Ferdinand, however, we have an even better picture of what William Casey was doing during his years in public office. Mrs. Ferdinand is the daughter of Albert Carone, a CIA-Mafia connected money launderer who also held the rank of full colonel in Army Intelligence. Carone was murdered in 1990. Bill Tyree knew Carone from the Watchtower missions and confirmed his role as a "money man." (http://www.radio4all.org/crackcia/tyree.html). Carone carried on a very close business relationship with Casey while he was Director of the CIA, since Carone was the liaison between the mob, police, military and the CIA. The Transcripts of the depositions which both Dee and her husband gave in Bill Tyree's lawsuit are extremely revealing about how these various factions of the syndicate worked together.

According to former FAA investigator Rodney Stich, "Carone had complex relationships." In his underground bestselling book Defrauding America: Encyclopedia of Secret Operations by the CIA, DEA, and Other Covert Agencies, Stich writes that Carone "was a member of the Gambino family with connections to other crime groups in the eastern part of the United States, a detective on the New York City vice squad, a member of the military and a CIA operative."

Stich writes that "Dee [Ferdinand, Carone's daughter] said her father was a detective and bagman in the New York City police department, collecting money that was distributed to captains and inspectors as payoffs for looking the other way where drugs were involved..."

"Referring to CIA-Mafia drug trafficking, she said she knew from what her father said that the drugs coming from South America, went to the Colombo, Genovese and Gambino families, and that it was a joint CIA-Mafia drug operation under the code name Operation Amadeus. She said that during World War II, Operation Amadeus was involved in transporting Nazi officers from Germany into South American countries. According

to her father's notes, Operation Amadeus split into several other operations, including Operation Sunrise and Operation Watchtower."

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FEMA was allegedly created by Executive Order 12148 which became law simply by its publication in the Federal Registry. In other words, Congress was bypassed for FEMA's authorization as well as its funding. But if Congress never authorized the "agency," where do operational expenses come from?

Tyree's lawsuit alleges that laundered drug profits were the initial source of funding.

According to the lawsuit, "the Plaintiff alleges the Defendants CIA and George Bush did intentionally engage in the complained of conduct herein to conceal: (1) the origins of FEMA and that profits from drug trafficking by the CIA were used in some part to originally fund FEMA and the drafting of the FEMA infrastructure."
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The late Colonel Carone also claimed that "he took drug profits that were clean and laundered in 1982-1984 to the following: NSC -- Colonel Oliver North who used the funds to create and develop FEMA." [p. 88 of the lawsuit]

Colonel Carone also testified that "FEMA was one of those off-the-shelf creations that was funded through the giant black operations fund which came about from drug trafficking operations instituted by the CIA which Congress has no idea of and no control over," that "the FEMA Chain of Command, rules and regulations that he had seen violated the US Constitution, and actually established a succession to the Office of the President in the event of an emergency that circumvented the Vice- President and the Speaker of the House of Representatives."

Carone said "NSC used drug trafficking profits to start FEMA without congressional approval... a 1981 NSC Directive written by Frank Carlucci [states]: `Normally a state of martial law will be proclaimed by the President. However in the absence of such action by the President, a senior military commander may impose martial law in an area of his command where there had been a complete breakdown in the exercise of government functions by local authorities.'"

"Colonel Carone said a literal interpretation of the 1981 NSC Directive was that a local yokel national guard commander could institute martial law, and the actions of FEMA, without local citizens ever knowing how FEMA came to be, or what FEMA was originally intended to be about, would automatically be triggered without any type of presidential order... Congress doesn't even have the purse strings on this one. It's all from the Black Operations Fund which Congress will never force the US Intelligence Community to admit even exists." http://zolatimes.com/V3.2/fema.html See also http://www.nexusmagazine.com/smokemirrors.html

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NOTES:

(1) (See listing of officers at http://www.newsmakingnews.com/lindaminor/lm3,19,02harvardtoenron,pt1.htm and http://www.trufax.org/chrono/cri.html). 1976 US House Banking and Currency Committee Report, May 1976, entitled "International Banking", identifies the Rothschild Five Arrows Group and its five branches: N.M.Rothschild & Sons, Ltd in London, Banque Rothschild in France, Banque Lambert in Belgium, New Court Securities in New York, and Pierson, Holdring & Company in Amsterdam, all of which were combined into Rothschild Intercontinental Bank, Ltd, who in turn has three American subsidiaries: National City Bank of Cleveland, First City National Bank (First City Bancorp) in Houston, and First National Bank in Seattle. The House Report also noted "the Rothschild banks are affiliated with Manufacturers Hanover of London and Manufacturers Hanover in New York.
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(2) AtlanticRichfield is the epitome of the international capital syndicate. Robert O. Anderson, who had started his career as a protégé of the Dawes family (Charles G. Dawes and his brothers), who were in the center of the British Round Table group that is now CFR, helped to accelerate the pace of decline in the level of integrity in the economic community--though, when one reads Carroll Quigley's Tragedy and Hope and The Anglo-American Establishment, one wonders whether the elitists ever had integrity, or whether they simply had control over who wrote the history books. It's time for historians to write history with full knowledge of how money really works behind the scenes. It's time to audit the off-the-books accounts, where the hidden funds are kept in reserve. Anderson was a member of the Bilderberger group of international oil men and was present at the meeting in Sweden in 1973 which allegedly planned a policy that would trigger a global oil embargo by OPEC to raise the price of oil. This increased price helped to pay for the Alaskan pipeline that had just been completed at great expense. In 1974 Anderson's foundation poured money to ecology groups to launch an assault against alternative energy sources, such as nuclear power. These were the same policies that would be advocated by the Aspen Institute which was seeded with funds from AtlanticRichfield. [Source: F. William Engdahl, A Century of War: Anglo-American Oil Politics and the New World Order (Concord, MA: Paul & Company Publishers Consortium, 1992)]

AtlanticRichfield's appearance in Houston can be traced back to 1956 when Atlantic Refining Co. purchased the Houston Oil Co., a corporation which had been established many years before by John Henry Kirby and financed primarily by the British investment bank, Brown Brothers (which would be merged by George Bush's grandfather--G.H. Walker--into Brown Brothers, Harriman). Kirby also founded Houston Natural Gas (now Enron) in 1925 with the same financing. In 1966, the same year George Bush resigned from Zapata Offshore, Atlantic merged with Richfield. [See Charles S. Jones, From the Rio Grande to the Arctic: The Story of the Richfield Oil Corporation (Norman, Okla: Univ. of Okla. Press, 1972), p. 308 .] Talks between Richfield and Standolind (Standard Oil of Indiana) about a possible merger took place at "Railroad Ranch," in Sun Valley, Idaho, at about the time Palmieri was busily remodeling it. When news of the talks was leaked to the press, Richfield stock prices rose, and a competing offer was presented by Atlantic, based in Philadelphia, with Robert O. Anderson as chairman. New talks were set up between Richfield and Atlantic in late summer 1965, also in Sun Valley. In the merger, Richfield was represented by the investment bank of White, Weld of Boston. This bank would eventually merge with G.H. Walker & Co.

In 1941, Anderson moved his family to New Mexico ostensibly to build up a run-down refinery. In 1963 he became the largest shareholder of Atlantic Refining when he sold his Hondo Oil and Gas Co. to Atlantic for 700,000 Atlantic shares. Atlantic Refining had been incorporated in 1870 and was one of the Rockefeller companies until the Standard Oil Group was dissolved in 1911. Richfield Oil had been founded in 1905 and was in the center of the Teapot Dome scandal. Anderson became Chairman of the Board in 1965 and in 1966 completed the merger of Atlantic with Richfield Oil. Sinclair Oil was acquired in 1969.

Pete Brewton revealed in his book, The Mafia, the CIA and George Bush, that Robert O. Anderson was a partner of Walter Mischer in a 250,000-acre tract of land in the barren desert of far West Texas near Big Bend--sold in 1989 to the State of Texas for a park. But while it was owned by Anderson and Mischer, Brewton's sources claim it was used, in connection with a nearby landing strip, for the transshipment of drugs and weapons. Anderson's father, Hugo, had been an oil and gas banker at First National of Chicago--a Rockefeller-connected bank which is a favorite of the CIA. Robert Anderson would at some point purchase the London Observer from the Astor family whose roots on both sides of the Atlantic are soaked in opium running. They, too, were members of the Round Table Group. Anderson held the paper until he sold it to Tiny Rowland, before it was eventually acquired by the Guardian.
http://www.observer.co.uk/review/story/0,6903,615617,00.html

According to Brewton, Anderson was also associated with Tiny in an oil and gas partnership some time after 1986. Rowland represents a continuation of the British mentality of colonial exploitation of global strategic resources. His role in Lonrho is not unlike the role Samuel Zemurray played in his control of United Fruit in

1930. In other words, both Anderson and Rowland are successors in interest to original syndicate investors described in Part Two-B. (See http://www.c-r.org/accord/acc_moz/vines.htm). Keep in mind that the largest and most powerful investors must keep their interest in the investment secret--just as our president places his holdings into a blind trust. That doesn't mean his holdings are a secret to him--but only to us.

Anderson was groomed for his role in the syndicate by a family who was in direct contact with the original Round Table consortium which managed one of the most lucrative chartered companies--the British South Africa Company--and the Cecil Rhodes trust set up with profits derived therefrom. (See http://www2.prestel.co.uk/littleton/brfo_rhodes.htm). United Fruit was a financial model set up in the U.S. to replace the British chartered company model, which would not have been accepted in America because of the prohibition of government being involved in venture capital enterprises for profit. The new model was developed to allow nominees to stand in for the invested capital contributed by "fiduciaries" entrusted with investment rights over government funds, or charitable endowments. This model requires the knowledge and cooperation--if not outright collusion--of the persons in control of our revered institutions.

Charles G. Dawes's first official governmental position was comptroller of the currency, to which he was appointed by President McKinley. Instead of running for the Senate, as Dawes had planned, after McKinely was assassinated, Dawes joined the Army and attained the rank of brigadier general under General Black Jack Pershing. He devised for the military an inter-Allied purchasing board, as well as a unified distribution authority. In 1919, despite the opposition raised by his own Republican Party, he strongly urged Congress to accept the Treaty of Versailles and the League of Nations. In 1920, appointed to the newly inaugurated position of Director of the Budget, Dawes reformed budgetary procedures in the United States government--insisting that each department of the government prepare a true budget projecting future expenditures and stay within it. Whether that was actually true at the time it was implemented or not, it is clear from what is occurring today that the budgetary process only covers a fraction of what is spent by the government. The off-the-books accounts have grown exponentially and are controlled by a criminal syndicate.

In 1923 Dawes chaired a League of Nations committee (not approved by the U.S.) to deal with German reparations, which in April 1924 issued what is called the "Dawes Report." It examined Germany's budget and resources, outlined measures to stabilize its currency, and suggested a schedule of payments on a sliding scale. He was awarded the Nobel Peace Prize for that work, even though the plan led to World War II. (See Antony Sutton's comments: "The Treaty of Versailles after World War I imposed a heavy reparations burden on defeated Germany. This financial burden — a real cause of the German discontent that led to acceptance of Hitlerism — was utilized by the international bankers for their own benefit. The opportunity to float profitable loans for German cartels in the United States was presented by the Dawes Plan and later the Young Plan. Both plans were engineered by these central bankers, who manned the committees for their own pecuniary advantages, and although technically the committees were not appointed by the U.S. Government, the plans were in fact approved and sponsored by the Government." http://reformed-theology.org/html/books/wall_street/chapter_01.htm#1924:%20The%20Dawes%20Plan).

Dawes donated his Nobel Prize payment to the endowment of the Walter Hines Page School of International Relations at Johns Hopkins University. Page was the British Ambassador who was a great friend of Colonel House. From June of 1929 to January of 1932, Dawes was himself the U.S. ambassador to Great Britain. In 1930 he was a delegate to the London Naval Conference; in 1932 he accepted the chairmanship of the American delegation to the Disarmament Conference in Geneva but resigned to accept the chairmanship of the Reconstruction Finance Corporation, a governmental agency that loaned taxpayers' money to banks, railroads, and other businesses during the depression. Dawes died in Evanston in 1951, the year after his protégé helped start the Aspen Institute.

(3) Peter Kiewit Sons, Inc. played a very significant role in the Franklin Credit Union pedophilia scandal that occurred in Nebraska in the 1980's. (See http://www.newsmakingnews.com/lmnebraskaconnection.htm). The legal documents involved in the trusts involved in the Kiewit companies sound like the same pattern used in the

syndicate documents described in Part Two-B. This scandal was covered by John DeCamp's book, the Franklin Cover Up, which is available from Amazon.com or from http://www.texemarrs.com/101997/COVER.HTM

(4) The Aspen Institute was the creation of Walter Paepcke, who controlled the Container Corporation of America until his death in 1960. The upscale village and ski resort was begun in 1950 and centered around leaders from the Rockefeller-funded and -controlled University of Chicago. Paepcke had been partly responsible for attracting many of the former Bauhaus School founding members to Chicago as they fled Nazi Germany. He was a long-time director of the U.S. Gypsum Co., on whose board he served with L.S. Wescoat of the Pure Oil Co.--an oil company owned by the imminent Dawes family. From 1957 to 1963 Robert O. Anderson, a 1939 U. of C. graduate a major funder for the Institute through his AtlanticRichfield Oil Co. (ARCO), served as its president. ARCO had a strong influence in 1979 on the management of International Mining Co., wholly owned by Pacific Holdings--Pug's employer.

(5) Toddie Lee Wynne was Clint Murchison, Sr.'s attorney, and Bedford Wynne, representing the family's law firm of Wynne, [Morris] Jaffe, and Tinsley, was the Murchisons' lobbyist in Washington. Angus Wynne was Toddie Lee's nephew. The law firm set up a corporation called Sweetwater Development, owned by the Murchisons' Tecon Corporation, which had contracts with the federal government and paid a salary to Bedford Wynne; it was the subject of an army audit in 1963. According to Peter Dale Scott, "Subsequent Treasury and congressional investigation of Bedford Wynne and Clint Murchison established that their Sweetwater Company had made payments (which looked very much like political kickbacks) to the legal firms of Bobby Baker and of Democratic Congressman Emmanuel Celler. Dallas Republican leader Robert H. Stewart III, a director of Great Southwest and trustee of the Toddie Lee Wynne Foundation, had also arranged for questionable loans to Bobby Baker, via the same two Murchison employees (Robert Thompson and Thomas Webb) who figured in the Baker payoffs from Bedford Wynne." Robert H. Stewart III was also chairman of First International Bancshares in Dallas, which was represented on the board of Dresser Industries--the company owned by Brown Brothers, Harriman that Prescott Bush was director of for many years (Darwin Payne, Initiative in Energy, p.389). In 1977 George Bush became a director of First International Bankshares Ltd. of London and of the holding company based in Dallas, while also acting as chairman of the executive committee of First International Bank of Houston.

(6) Walter was the son of Moe Annenberg who, as circulation manager for the Hearst papers, had hired Charles "Lucky" Luciano and Meyer Lansky to help oversee the circulation of the New York Daily Mirror. In 1926, Annenberg left Hearst in order to work full-time on his Racing Form which he had promoted while at the Hearst papers. The next year he bought controlling interest in Mont Tennes General News Bureau, known as the race wire service, from a man who was being intimidated by Al Capone. By 1929 Annenberg had made a deal with the Chicago mob that put him in business with Meyer Lansky, Frank Costello and Johnny Torrio. Annenberg then created the Universal Publishing Company, which printed "wall sheets" and "hard cards." The wall sheets listed races, horses, jockeys, morning odds, and other information that bettors used in deciding how to place their money. A few years later, he established Nationwide News Service in Chicago on August 27, 1934 which stirred the ire of the Capone mob, causing Annenberg to flee to Florida where Meyer Lansky had settled in.

Lansky helped Annenberg bring his wire service to southern Florida and got a piece of the action in return for keeping Annenberg from getting shot. In 1936, Annenberg reached an agreement with the Capone Syndicate. He paid one million dollars a year for protection and was free to pursue other interests without being stalked by paid gunmen. With the race wire service problem cleared up, Annenberg purchased a newspaper that he felt had the "prestige and class" his other ventures had lacked – the Philadelphia Inquirer. Annenberg achieved great success in increasing the overall circulation of the Inquirer and saw it become a successful tool and model for Republican Party politics. The contacts his son Walter made with the Republicans would one day result in his being named Ambassador to Great Britain by President Richard Nixon.

(7) See Mike Ruppert's article in From The Wilderness which shows a connection he discovered between AIG and Carlos Lehder's role in drug smuggling for the CIA.
http://www.copvcia.com/stories/july_2001/part_2.html

(8) The Flamingo was the first hotel-casino built in Las Vegas and opened in 1946--at about the time the CIA entered into a deal with the Mafia to launder its slush funds to be used for black budget operations. The contractor who completed the Flamingo was Del Webb of Phoenix, who built a similar hotel in Tucson in 1952. During the war he had built entire cities for the military. Henry Crown was "financial adviser" during the 1940s and 50s for the Hilton Hotels, which went public in 1947. Prior to that Hilton's financing came from the American National Bank and Trust Company of Chicago. Other financial assistance came from Horace C. "Hap" Flanigan, chairman of Manufacturers Trust Company of New York who sold the Hotel New Yorker to Hilton in 1953, accepting securities issued by the corporation instead of cash--thus putting Flanigan on the Hilton board. Flanigan's son, Peter, had worked for Dillon, Read since 1947, as soon as he completed Princeton and had served in the Navy. Henry Crown controlled the defense contractor General Dynamics. In 1947 both Dillon, Read and Manufacturers Trust were involved in the creation of Texas Eastern Transmission Co. in Houston, Texas for George and Herman Brown and their friends. Horace Flanigan was a director of Union Oil, which was a client of Dillon, Read, as was Manufacturers and Anheuser-Busch (headquartered in St. Louis), which was controlled by the family of Flanigan's wife. Only two years after joining Dillon Read, Peter Flanigan took a three-year leave of absence to work for the government in London, which in later years gave him many contacts for European placements. This sounds very similar to the training program Minor Cooper Keith went through when he began getting syndicate financing for United Fruit (See Part Two-B).

(9) William Casey's obituary, by Ismail Sloan:

...Nowadays, officials at the SEC distance themselves from Casey and his policies. They say that under his leadership, the initials of the S.E.C. were understood to mean "See Everything Crooked". However, in their heyday, Casey and Sporkin made quite a dynamic duo. Their favorite trick was the "enforcement proceeding". Every day, they read the newspapers for anything unusual or interesting. When they found something, they would bring a suit to stop whatever it was. These suits were actually hardly ever litigated in court. However, they were invariably accompanied by banner headlines about how the public was being protected.

The technique they practiced thousands of times can be illustrated by one fairly random example of this method. In the late 1960s, the Franklin National Bank, a prominent New York financial institution, folded. Although the SEC does not regulate banks, Sporkin, when he read about it in the newspapers, filed suit on the same day. The great genius of Casey and Sporkin was to think up creative theories for new kinds of lawsuits they were constantly inventing. Here, the theory for the suit was that the bank failed adequately to disclose to its stockholders that it was in financial difficulty. Had the bank been regulated by the SEC, this theory would have been reasonable. However, banks and bank stocks were all regulated by the federal and state banking authorities.

The main thing about this was that it was all just a publicity stunt. In accordance with the custom in those days, the same day that the SEC filed suit, its lawyers met with the officials of the Franklin National Bank. They then entered into what was known as a "consent decree". The way this worked was that the bank officials agreed to an injunction "without admitting or denying the charges". In other words, they promised never to do it again, without admitting to whatever it was that they did. They all then walked together into the office of a federal judge, who gave a rubber stamp approval to the deal. By this procedure, more than 95% of the suits which the S.E.C. filed under Casey were "settled" either the same day or the next day. The defendants got an exceptionally good deal. In return for their consent, the SEC promised to close the book on whatever they had done. There would be no further civil or criminal proceedings. The guilty officers would not have to go to jail. They would not even be asked to give the money back. They could even open a new bank. The SEC got, in return, newspaper publicity. Both Casey and Sporkin loved to see their name in the newspaper every day.

This gave Casey and Sporkin the opportunity to get favorable publicity for themselves in the newspapers all around America by claiming that they had taken strong steps to remedy this situation, whereas in reality they had done nothing at all. Needless to say, neither the uninsured depositors nor the stockholders of Franklin National Bank ever got a dime back. ...

Although it was obvious that these suits were often inherently flawed, they were sought solely because Casey and Sporkin were hounds for publicity. These two operated the SEC like a Gestapo. Anybody who criticized their methods became a target for investigation. Sporkin often implied in speeches that anybody who criticized the SEC must be guilty of a crime. "That is clearly a smokescreen", Sporkin would say of anybody who disagreed with his methods. In one speech, Sporkin demanded "double-digit prison sentences" for anybody who disagreed with the SEC.

Worse than that, the SEC was a slipshod operation. It rarely conducted an actual investigation of anything. For example, it hardly ever conducted an audit of a company's books and records. What it actually did was reward lawyers who convinced their clients to turn themselves in. ...

Although Sporkin was deeply involved in the arms for hostages scandal, his name is not often mentioned in this capacity. The reason for this is that just before the scandal broke, Sporkin managed to get himself appointed as a federal judge. The last of this story has not yet been heard. " --Sam Sloan http://www.ishipress.com/casey-ob.htm

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(3) The biography of Samuel Zemurray, who died in 1961, is also useful. (See http://www.unitedfruit.org/zemurray.html and http://bananas.agoranet.be/CSR_28.htm) .

(4) The 1899 consolidation between the New York and Boston factions of an investment syndicate can be seen in a brief sketch of the life of Minor Cooper Keith at http://www.unitedfruit.org/keith.html.

(5) Interesting, if biased, description of banking in Cuba -- http://www.angelfire.com/fl/cubabrains/index.html and in particular: http://www.angelfire.com/fl/cubabrains/menocal.html and http://www.angelfire.com/fl/cubabrains/zayasmachado.html

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(11) Pure Oil Co. and the Dawes family--
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[F. William Engdahl, A Century of War: Anglo-American Oil Politics and the New World Order (Concord, MA: Paul & Company Publishers Consortium, 1992]

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Part Two-A
Concise History of United Fruit

Over the years, several banana companies were formed by merchant shipping interests, probably the first of which from the Boston area by those families who had profited from the China trade and opium, as well as rum and slaves. (See previous article at http://www.newsmakingnews.com/lmharvardpart3.htm and also http://www.geocities.com/Area51/Shadowlands/6583/secret022.html). These Massachusetts families gained control of Harvard University more than 100 years ago and remain in control of the institution and its endowment today.

http://www.pcmpublishing.com/articles/12.html The primary banana competitor of the Boston group (whose banking was handled through Old Colony Trust) was Minor Cooper Keith (then chairman of the Empire Trust), who lived in the Bronx, New York, though he had traveled the world and had strong ties to Central America, since his wife was the daughter of a former president of Costa Rica. Keith had been sponsored into international development projects by his uncle, Henry Meiggs, a global merchant who built the wharf in San Francisco, railroads in the mountains of Peru, and who also attempted to recover gold-rush treasure from a sunken ship--the Frolic, a former opium-runner. (See stories at http://www.sfmuseum.org/hist/meiggs.html and http://www.nps.gov/safr/local/frolic.html).

Around 1899 or 1900 the Boston and New York merchant shippers merged their operation into the United Fruit Co. but soon obtained additional capital from merchant traders within their financial network in London. Keith actually spent about three years in London to learn how to set up contracts for companies with trust agreements to ensure that British investors could circumvent laws in the countries they wished to develop that prohibited foreign ownership of land. (See http://www.unitedfruit.org/keith.html). A more detailed picture of the syndicate which developed into United Fruit can be seen in Part Two-B).

Following the first world war another competitor arose on the scene. By then Keith was elderly (he died in 1929 at the age of 82), and the Boston group were not noted for their business acumen, but for their attempt to make money from political power. This power had no impact on Samuel Zemurray, from a Russian Jewish family which immigrated to Selina, Alabama in 1892. Zemurray bucked the established order in Central America overseen by the Morgan Bank and used gangsters with machine guns to bring about a coup in Honduras, in order to avoid payment of the taxes. After Keith's death, United Fruit merged with Zemurray by giving him a controlling interest in the new company stock. Thereafter, the weak Boston and New York management teams did his bidding. (See http://www.unitedfruit.org/zemurray.html).

Not surprisingly, Zemurray became an impressive donor to Harvard before his death, and his daughter Doris (Radcliffe '30) became an anthropologist/sociologist in Central America (living in Costa Rica) and married into

Boston's elite money-laundering fold when she married Roger Thayer Stone. The Stones were also donors to Tulane in New Orleans, where Samuel Zemurray had taken over the docks with the help of the Macheca gang. (See http://www.peabody.harvard.edu/maria/bois.html and http://www.harvardmagazine.com/archive/01ja/ja01_dept_treasure.html).

Samuel Zemurray had hired Sullivan & Cromwell in the 1930's (where John Foster Dulles was managing partner) to enforce the secret trust agreements and financial investment documents that had been devised during Keith's tenure. These documents had to remain secret because the lawyers knew the whole system had been devised as a subterfuge to avoid the laws against foreign land ownership. (See Part Two-B for further detail on how this system worked.)

Under the terms of the investment syndicate's secret documents, legal title (which appeared to be vested in local banks as trustees) was actually in the trust beneficiaries--the original British investors who had joined with the Boston and New York banana companies in implementing the agricultural production, engineering and railroad projects. Through these documents the beneficiaries had claims to the assets required to be held as security for the capital that had been invested in those projects. Because the London bankers taught the same methods of financial documentation to many other businessmen besides Minor Keith, the same secretive arrangements for capitalizing development investments were scattered worldwide.

The biggest challenge for the syndicate was to maintain centralized control of the accounting of the expenses and profits arising out of the proliferation of overlapping networks of global investments through both debt and equity models, without disclosing the confidential details of each transaction. Operating through various banks knowledgeable about how the syndicate accounting schemes worked, the syndicate--through the years, from time to time--changed agents, as skilled and innovative men arrived on the scene. One such man was Hjalmar Schacht, an American of German origin, who worked for the Morgan-controlled Equitable Trust in New York. It was during his tenure that loans were made to finance the Bolsheviks in Russia and the Nazis in German--along lines similar to those used in documenting the loans to United Fruit. (See http://reformed-theology.org/html/books/wall_street/introduction.htm). In 1930, however the Equitable Trust merged with the Chase Bank, and control shifted from the Morgan bank to the Rockefellers. A few years later, Dulles was chairman of the board of trustees of the Rockefeller Foundation. (http://www.rense.com/politics6/jfkcastro_p.htm). The syndicate's investments have exploded exponentially since those days. Knowledge management is even more necessary today. To h elp with data control, Harvard developed a course of study in statistical control within its mathematics department to train men such as Robert McNamara, Tex Thornton and Pug Winokur.

Once Zemurray turned his legal matters over to Dulles (the New York faction*) and the Boston bankers who also ran Harvard, the syndicate selected Thomas E. Sutherland to manage United Fruit, until his retirement to Phoenix in 1968. By that time Zemurray had died, both Kennedys had been assassinated, and Richard Nixon was getting ready to take office.

It was also in 1968, if you recall from Part One, that Zapata Norness began advertising its tender offer to buy stock in United Fruit. On September 24, 1969 Eli Black became the largest shareholder of the company by acquiring 3/4 of a billion shares in a single day. (Chronology at http://www.stanford.edu/~mbucheli/chronology.html). Black had already acquired AMK, a company that made caps for milk bottles, when he expanded the company in 1966 by acquiring the stock of John Morrell meat packing, intending to finance the purchase by selling assets. He repeated this process once he had gained control of United Fruit. It is possible that someone in the syndicate did not care for his management style or in his choices of assets being separated from the company. Charges were brought against him for bribing the President of Honduras--leading to a military coup in that country. The Costa Rican president then threatened the company with a cancellation of all contracts if the bribery scandal was not resolved. In 1975, after an SEC investigation into the bribes, a federal grand jury brought criminal charges against United Brands. In 1978 United Brands admitted it had paid $2.5 million to the former Honduran minister of economy, Abraham

Bennaton Ramos. The company was fined $15,000 and the case closed. (See excellent coverage in THE CINCINNATI ENQUIRER Sunday, May 3, 1998 (at http://bananas.agoranet.be/CSR_28.htm). It should be pointed out here that during these years, William Casey was head of the SEC, and Stanley Sporkin was his deputy in charge of enforcement.

NOTES:

*Empire Trust was eventually merged into Bank of New York--see http://www.banking.state.ny.us/histe.txt)

CLICK - BACK TO MAIN TEXT.

PART TWO-B

THE OCTOPUS IN MICROCOSM

In my research--though it is in no way complete--I have only found two references to what I would consider a good description of the day-to-day workings of the "real" syndicate that I've traced back to around 1900, which I believe is still in control of the basic power structure in America today. It is in control because it is how the money works.

The term "syndicate" means:

1. An association of people or firms authorized to undertake a duty or transact specific business.
2. An association of people or firms formed to engage in an enterprise or promote a common interest.
3. A loose affiliation of gangsters in control of organized criminal activities.

(http://www.dictionary.com/search?q=syndicate). Our world is definitely within the clutches of these people, firms and gangsters today.

Tentacle in Texas in 1912

In 1970 B.R. Brunson published one of the most boring books ever written, called The Texas Land and Development Company: A Panhandle Promotion, 1912-1956, (University of Texas Press, Austin and London.) (See http://www.rra.dst.tx.us/c_t/buisness/TEXAS%20LAND%20AND%20DEVELOPMENT%20COMPANY.cfm) Brunson was familiar with the Texas Panhandle lying north of the city of Lubbock near Plainview which had been developed into irrigated farms beginning in 1912 by an intricate web of entities set up as trusts. He was able to pore over records kept by the daughter of a long-time general manager of one of the trusts, as well to as examine legal files made available by the trust's local attorney and interview various people who were still alive and remembered relevant details about the operation of the development company. The result was a year by year description of how outside capital was brought to Plainview and captured there for the full term of the project. What Brunson's work makes clear is that, because of the design of the original documents setting up the trust, the land and assets were completely tied up until the project was completed according to the terms of the trust.

What initially caught my idea when perusing the book in the library was a familiar name in the index--"Minor Cooper Keith"--and the company called "Empire Trust." I had seen these names before while researching the United Fruit Co. in which Keith was intimately involved. My familiarity with the Empire Trust, however, first arose while studying the JFK assassination. In Dick Russell's book, The Man Who Knew Too Much (New York: Carroll & Graf Publishers/Richard Gallen, 1992), at pp. 614-615, under a section called "Origins of the

Cover-up" there is a description of a group of Dallas men who surrounded Marina Oswald as soon as her husband had been arrested, but before he was killed by Jack Ruby. These were intelligence operatives seeking out Russian speakers. Ilya Mamantov spoke Russian. A geologist with Sun Oil, he received a call five hours after the assassination from Jack Crichton, who was at that time the president of Nafco Oil and Gas, Inc. and a former Military Intelligence officer then attached to Army Reserve Intelligence. In the footnote following this information (found at pp. 792-93 fn. 14), Russell states:

Crichton background: The 1963 Dallas City telephone directory lists Crichton as president of Nafco Oil and Gas, Inc. A short article on Page 26A of the Dallas Morning News (February 16, 1975) identified him as a "millionaire oilman." Researcher Peter Dale Scott's unpublished 1971 "The Dallas Conspiracy," pp. III-16-17 notes that Crichton until 1962 "was also a Vice-President of the Empire Trust Company, a firm whose leading shareholders, the inter-related families of Loeb, Lehman and Bronfman are said by Stephen Birmingham to have mainted 'something very like a private CIA ... around the world' to protect other investments such as in Cuba, in Guatemala, and in General Dynamics." One of Empire Trust's directors was, Scott notes, Lewis W. MacNaughton--the employer of George Bouhe, one of the first members of Dallas's Russian community to meet Oswald.

By the time I picked up the Brunson book, I had followed Russell's lead and learned more about Lewis MacNaughton, whose partner in Dallas had been Everette DeGolyer, a director of Dresser Industries in Dallas from 1954 until his death in 1956, when he was replaced on the Dresser board by MacNaughton until 1969. Prior to moving to Dallas, DeGolyer, an Oklahoma native, had worked for Amerada Petroleum in New York (where the Empire Trust was located), leaving there to start a geological consulting firm called DeGolyer and MacNaughton. [source: Darwin Payne, Initiative in Energy: Dresser Industries, Inc. 1880-1978 (New York: Simon and Schuster, 1979), pp. 232 and 388.] DeGolyer's death was reported in a December 15, 1956 Houston Post article, which stated that he "shot himself to death Friday in his Dallas office.... His death was ruled a suicide…."

I then underwent a long chain of research into the background of Everette DeGolyer and his career. Part of that research appears at http://www.davidicke.net/tellthetruth/coverups/bronfmanbush.html

DeGolyer founded Amerada in 1919 for Lord Cowdray, real name Sir Weetman Pearson, who had extensive oil interests in Mexico. In 1969 Amerada (1) would merge with the Hess Oil Co. (founded in 1925 by Leon Hess in New Jersey). Hess' wife, Leota, was the daughter of a long-time Houston banker named Joseph F. Meyer and is mentioned in Pete Brewton's book, The Mafia, the CIA and George Bush in connection to the Meyerland Plaza development which Brewton connected to massive financial fraud of the 1980s--much of which he connected to George Bush's friend in Houston, Walter Mischer. In following those clues, I learned that Mischer had acquired his group of banks in Houston from a supposed "wildcatter" oilman named Michel Halbouty. This led me to another new wheel of intrigue, which I hope will serve to enlighten rather than to add more confusion.

The most illuminating book about Halbouty is by Jack Donahue called Wildcatter: The Story of Michel T. Halbouty and the Search for Oil (McGraw-Hill Book Co., 1979). At p. 135 thereof he indicates that Halbouty's funding for his wildcatting exploration came from the Empire Trust in New York. Empire paid 100 percent of the cost of the first well in a new area where Halbouty had explored and acquired leases at his own expense. After discovery, costs of other wells were split evenly; profits were divided fifty-fifty after payout. Both parties, for example, put up about three million dollars for the 1956 exploration program. Empire Trust had the option of non-participation in the drilling of any new area. In another separate venture, Halbouty went to New York to discuss with Empire Trust whether they wanted to participate in that deal on the same terms. They agreed and made a lot of money as a result.

Michel Halbouty was one of the initial investors of Continental Bank, later sold to Mischer. Biographer Donahue at p. 171 described the founding of the bank as follows:

Halbouty . . . was walking down Main Street when he bumped into W.P. (Willie) Wells. Wells was a pretty fair country-boy promoter with heavy banking experience. He was trying to put together the Continental Bank. There on the sidewalk he sold Halbouty a sizable interest. Hardin and Noel also got a piece. Halbouty added to his interest as time passed and owned 30 percent, which turned out to be the largest single chunk, and he became chairman of the board.

Halbouty didn't enjoy his role at Continental Bank. He was in constant disagreement with the other board members who could, by voting together, win all arguments. Halbouty sold his stock to Walter Mischer and Howard Terry, a couple of Houston's entrepreneurs who would place their marks on a dozen profitable enterprises. [See footnote to this footnote--below at (2)]

Finding this out, I was confused about who controlled the Empire Trust, since the footnote in Russell's book tied control to the Loeb, Lehman and Bronfman family in New York. So I went back to Stephen Birmingham's "Our Crowd": The Great Jewish Families of New York (New York: Dell 1967), pp. 444-45, and found the following:

Thanks to antennae around the world that amount to something very like a private CIA, he [John L. Loeb--the son of Carl M. Loeb, Jr.] completed the sale of the firm's major Cuban sugar holdings the day before Fidel Castro took over. In 1945 the Loeb and Lehman millions received a new infusion of wealth when Clifford W. Michel joined Loeb, Rhodes. Michel was married to the former Barbara Richards, one of the granddaughters of Jules Bache, and therefore related to the Cahns and the Sheftels and, by marriage at least, to the Lewisohns (to whom the Lehmans, of course, were already related). Another Bache granddaughter was Mrs. F. Warren Pershing, wife of the son of the World War I general, and head of J. Pershing & Company, a rich brokerage house. Then in 1953 John Loeb's daughter, Ann, married Edgar Bronfman, elder son of Samuel Bronfman, the founder and chief executive of Distillers Corporation—Seagrams, Ltd., undoubtedly the richest man in Canada and among the wealthiest in the world. Bronfman money is not formally a part of Loeb, Rhoades capital, but one of the firm's partners has said, "He's a kind of partner who is awfully important." . . . The Bronfman millions, however, have joined Loeb-Lehman and Bache holdings to make up the largest single holding of stock in New York's Empire Trust Company, **** which has assets of some $300 million. Edgar Bronfman, now [1967] in his middle thirties, and head of his father's American subsidiary, Joseph E. Seagram & Sons, joined the board of directors of the Empire Trust Company in 1963. . . .(3)

Before Minor Keith's death, in April of 1924 one-third of Empire Trust stock had been sold to another group--the Brotherhood Investment Co.--made up of the union funds of the Brotherhood of Locomotive Engineers (BLE)--a union founded in the 1860's which quickly established a mutual life insurance arm to provide assistance to disabled members. The first contract the union made was with the New York Central Railroad, in 1875. Therefore, after the merger between New York Central and the Pennsylvania in 1967, this mutual insurance company, which was a railroad subsidiary, controlled the pension funds of many of the employees of the Penn Central Railroad. (4) The pension funds were being controlled in 1924 by the National City Company of New York (now Robert Rubin's Citigroup) and an affilated bank called "Brotherhood of Locomotive Engineers Co-operative National Bank of Cleveland," which had purchased bonds from Speyer & Co. and J. & W. Seligman & Company, advertised for resale in 1924.

The BLE which refused to join the A.F.L., created three parent companies through which it controlled more than 35 banking and investment businesses. The long-time president of the union was Warren S. Stone. (5) In 1922 the BLE established the Brotherhood Holding Company and in 1923 the Brotherhood Investment Company, and later a realty corporation, which investments allegedly fell apart when Stone died in 1925. However, it seems more likely that these funds had already been channelled out into other areas before Stone's death

The All-America Anti-Imperialist League was formed in 1925 by the Worker's (Communist) Party while Jay Lovestone was its national secretary. Lovestone, born Jacob Liebstein, was forced out of the Comintern in 1929 by Stalin's political maneuverings. By the end of the Depression, Lovestone broke cleanly with the Soviets and, after World War II, founded the Free Trade Union Commission, an AFL-backed movement that organized noncommunist labor unions outside of the United States. He also developed an intelligence-gathering unit within the organization that traded information with the CIA until the mid-1960s. During WWII, Lovestone became a spy in the OSS working with labor groups in Germany to feret out Communists, and he became great friends with James Jesus Angleton, according to Persico, in his biography of Casey. Lovestone was working independently under Donovan, along with Arthur Goldberg and William Casey. Ted Morgan notes in his biography that Lovestone had a lover named Louise Page Morris, a Boston Brahmin who performed espionage for Lovestone and James Jesus Angleton. Morris, a Lucky Strike model was sharing a bed not only with Lovestone but with America's ambassador at the United Nations, Henry Cabot Lodge.

But back to Minor Cooper Keith's connection to the Empire Trust, which helps to explain the Syndicate. It appears the link between the two seemingly disparate phases of the trust was the Pearson interests, since the major source of funding for the Plainview project was an engineer named Frederick Stark Pearson, who was contacted by a Texas realtor prior to the company's charter in 1912. Pearson, an American from Boston, no doubt had family ties to Lord Cowdray of England because the American was also involved in mineral exploration in Mexico even before DeGolyer went there to work for the Mexican Eagle. More information about F.S. Pearson is available at http://www.tsha.utexas.edu/handbook/online/articles/view/PP/fpe6.html .
According to Brunson's short bio of Minor Keith, he became an investor in the land development company in the Plainview, Texas area through Empire Trust Company. Another director was Frederick Stark Pearson, who was born in Lowell, Mass. in 1861 and graduated from Tufts College and M.I.T. Pearson started the development project in 1912 after being a trustee of Tufts in Boston in 1900. His son, Ward Edgerly Pearson (1915-19), who was born in Boston and educated at Yale, was the treasurer of the Empire Trust.
Brunson listed the original investors of the company in 1912 for the Texas Prairie Lands, Limited and its subsidiary trust. Among many others, the holders of securities in the company included the following:

American Investment Trust Co.;
Anglo-Austrian Bank;
Bank of Scotland;
R. Benson & Co.;
British Investment Trust Ltd.;
British Linen Bank;
M.J. and R.C. Brown;
H.B. Cabot, individually and as trustee;
Cabot, Lyman, Putnam & Bradley, trustees;
Norman W. Cabot;
Caledonian Trust Co., Ltd.;
Canadian Bank of Commerce (a/c Dr. Pearson);
William Carey;
Dominion Securities;
J.H. Dunn;
Dunn, Fisher & Co.;
Dunn, Fisher & Co. (a/c Demme);
Empire Trust Co.;
W.H. English;
First Scottish-American Trust Co., Ltd.;
R. Fleming & Co.;
Isabel C. Forbes;
C.J. Hambro & Son;
Goldsmith, Kahn & Teitsch;

A. Hecksher;
Minor Cooper Keith;
Kleinwort Sons & Co.;
Morgan, Grenfell & Co.;
National Bank of Scotland;
P.W. Palmer, individually and trustee;
F.S. Pearson, Executors of and J.H. Dunn;
F.H. Prince & Co.
Lord Revelstoke (Baring Bank); and
S.G. Schermerhorn;
Seligman Brothers.

The book gives a detailed account of how the investment capitalized the original company, as well as the numerous permutations of stock and bonds in reorganized companies. It shows how real estate was held in the names of nominees in the Plainview area who had no ownership interest, in order to avoid Texas laws against land ownership by foreign persons. Brunson states at p. 37: "After the issue of the first mortgage bonds, which brought investments from New York and Boston in addition to those from Britain, the backers were consistently divided into the original three groups--the British group, the Empire group, and the Boston group. The personality of the groups varied from investment to investment, but the three nuclei were stationary. ... The New York group of backers, which included the Empire Trust Company, controlled the new company." He also indicates that the Boston group was primarily controlled by the Old Colony Trust.

The agricultural project was of interest to Pearson, an engineer, primarily because of its experimental nature in seeing whether almost useless land of little value in West Texas could be made profitable by drilling water wells and placing pumps on them to irrigate and produce more valuable crops--a worthy endeavor from the outset. However, as the decades progressed the project may have seemed like an albatross to the descendants of the original investors, who were losing money and could not find buyers for their investment. There was a continual change of control back and forth between New York and Boston, though the British group could not intrude because it was acknowledged that their were not legally allowed to own land under Texas law at the time--thus their subterfuge of using trustees and nominees to hold title under unrecorded trust agreements.

Pearson died when the Lusitania was sunk during World War I, and Keith died a decade later, an old man in 1929 (See http://www.unitedfruit.org/keith.html). This could be when the shift in power occurred. Keith was also in control at his death of the United Fruit Company in the same convoluted financial structure used in this Texas scheme. When Keith died and the depression began, United Fruit's chief competitor Samuel Zemurray began taking up a big part of United Fruit's profits (See http://www.unitedfruit.org/zemurray.html). Zemurray's Cuyamel Fruit Company went into a fierce price war, until United Fruit decided that the best option was to acquire Cuyamel. In 1930 Zemurray sold Cuyamel to United Fruit for 300,000 shares of the latter's stock, making him United Fruit's largest shareholder. He was also given a seat on the board of directors. By 1938 Zemurray had control of the entire company.

In Dope, Inc., written by Lyndon LaRouche's Executive Intelligence Review group, it is stated that Sam Bronfman's father, Yechiel, arrived in New York in as an emigrant from the same provience in Bessarabia from which Zemurray had lived. This information is confirmed in the Jerusalem Post, in an article written by CALEV BEN-DAVID on June 29, 1999, which stated:

The foundations of the Bronfman family fortune were laid at the beginning of the century by Yechiel Bronfman, who after immigrating from Bessarabia (southwest Ukraine) to Canada in 1890, built up a successful chain of hotels.

In the 1920s, Yechiel's son Samuel - Bronfman's father - went into the liquor business, acquiring control of a local distillery, Joseph Seagram and Sons Ltd., which he later turned into a global enterprise.

His success during the US Prohibition years, when the production and sale of liquor just south of the Canadian border was illegal, has long given rise to the charge that he was a principal supplier to American mobsters. Bronfman, in his typically forthright fashion, doesn't hesitate to discuss this side of his legendary father's past.

"I have no idea what went on in the old 'rum-running' days," he says. "I do know that my father operated within the laws of Canada, although how stringent those laws were I can't tell you.

"There was a very good book written about him recently by a very worthy fellow from the University of Toronto, and although we helped with the research on it, he had total carte blanche in writing it up. And you know what his conclusion was? Dad was legal.

"That is to say," adds Bronfman, "he was legal on our side of the border. Whether his colleagues on the American side of the border were legal, I don't know. Nor do I find it terribly important. What is very important to me, is how I found him as a human being."

Samuel Bronfman and his wife Saidye had four children: the late Minda, who as the wife of Baron Alain de Gunzberg became a leading figure in France's Jewish community; Phyllis (Lambert), well-known as an architect and historical preservationist; the flamboyant Edgar, who succeeded his father as head of Seagram, led the World Jewish Congress for decades, and is today a major figure in the fight for restitution to holders of Holocaust-era Swiss bank accounts, and Charles.

"Mr. Sam," who died in 1971 after handing over the family business to his two sons, has often been portrayed in the media (and in fictionalized form, in such novels as Mordecai Richler's Solomon Gursky Was Here) as a domineering, hard-driving, larger-than-life character.

Dope, Inc. also says that Zemurray had bought up the shipping interests of the Machecha gang, which included Sicilian Charles Matrenga, who died in 1943. (Also see http://www.totse.com/en/religion/the_occult/nazihist.html part of which is set out below at (6))

Although not mentioned by name, it is clear from reading a biography of Lord Beaverbrook, that he was a friend and partner of F.S. Pearson in many American engineering projects similar to that studied by Brunson. A book by Anne Chisholm and Michael Davie, called Lord Beaverbrook: A Life indicates that the syndicate studied here was operating in Canada, as well as in Texas and in United Fruit--all at the same time. According to Chisholm and Davie, at pp. 34-36:

The first Canadian venture was the construction in 1897 of a hydro-electric plant to supply light and power to Kingston, Jamaica, and to electrify a tramway there. It was a small project, but successful enough quickly enough to encourage others to take the hint. Stimulated by a restless, grandiose-minded genius of a Yankee engineer named F.S. Pearson, Canadian money also financed an extremely profitable operation that replaced the mule-drawn public transport of Sao Paulo, Brazil, with an electric railway--so profitable indeed that the promoters' main worry was that the Brazilian government would find out how much money they were extracting from the country. That project was largely financed from Toronto. ....

London had put money into one of F.S. Pearson's biggest schemes, in Rio de Janeiro, but was much less inclined to take a flier on the profitability of tramways in Trinidad being built by a company in Nova Scotia. This is where the young Aitken stepped in; and so did James Dunn and another future milti-millionaire, Izaak Walton Killam--all three of them players in the West Indian fund-raising business that became 'something of a school for budding capitalists'.

... The Aitken masterstroke was to contribe to get in with the dominant Halifax group led fby John F. Stairs. The Stairs family, from northern Ireland via Philadelphia, was rich. When one member of the family died, leaving $900,000, Aitken described the estate as 'very big' for Canada.... John F. Stairs, a slight figure with a neat beard, was universally respected and known throughout Atlantic Canada: the dominant figure in the Union Bank of Halifax, the largest ship-chandler in Halifax, and the president of the most important industrial company in the region, Nova Scotia Steel and Coal....

By 1902, Aitken's link with the Stairs group was solidly forged. The circle included B.F. Pearson (not to be confused with the American F.S. Pearson), a company promoter and well-connected lawyer whose law firm employed two young men of outstanding talent, ... R.E. Harris .. and C.H. Cahan ... [who] were also looking at a much more ambitious F.S. Pearson project in Mexico. At first they used Aitken as an odd job man....

...F.S. Pearson's... ambition was to harness a spectacular waterfall to a powerhouse that would transmit electricity to Mexico City, a hundred miles away; the scheme envisaged the diversion of a river and the construction of a tunnel through remote and rugged country, quite apart from the need to reach agreement with the Mexican government. He secured an option on the waterpower concession only on 11 March 1902.

Sir James Dunn and Max Aitken (aka Lord Beaverbrook) were friends for 75 years, but Beaverbrook claimed that they were not in business together. However, Dunn's name is shown as an investor in the Texas Land and Development Company. On p. 31 of Brunson's book he states that "Texas Prairie Lands sold a complete bond issue to Messrs. Dunn, Fisher and Company, a London banking and investment firm. The London company acquired first mortgage 6 per cent bonds against the assets of the Texas Prairie Lands to mature in five years.... From 1912 through 1914, Dunn, Fisher and Company was to make installment payments ... to the account of Texas Prairie Lands in the Bank of Scotland." Dunn's firm apparently resold the bonds at 9% commission paid by Texas Prairie Lands--which was the original investor in the project and solely made up of British investors. In this transaction, the trustee for the bondholders was the Empire Trust Company of New York and London.

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NOTES:

(1)According to F. Lundberg in his The Rich and the Super Rich, 10% of Amerada Hess stock was owned by the British government.

(2) Willie Wells reputedly had ties to organized crime. The "Hardin and Noel" referred to were George Hardin, Halbouty's exploration manager, and James Noel, Halbouty's general counsel, who had previously worked for Houston law firm, Butler & Binion. Halbouty had also been "a founding director" of the Bank of Texas (senior partner George Butler later became president of this bank, as well as being chairman of the Post Oak Bank in the Houston Galleria area, reputedly connected to W.S. Farish III. See also http://www.tarpley.net/bush12.htm, http://www.pir.org/cgi-bin/nbonlin1.cgi?BUTLER_GEORGE_A and http://www.nara.gov/research/oic/cctf.html). According to Donahue:

Halbouty had invested about $5,000,000 in banks in the mid-fifties. They had made him money. Now he sold North Side Bank, the First National in San Angelo, and the First National in Paris for about $13,000,000. He kept the West Side National Bank he had built in San Angelo. His stock in the Bank of Texas, through a merger and other transactions, now was in Allied Bancshares, a holding company, and he retained it. He paid off his debts.

One of Halbouty's early partners in the oil business was Glenn McCarthy, who later built Houston's famous Shamrock Hotel. During their partnership, they officed in the Sterling Building, but when Halbouty walked out
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in 1937, he moved to the Shell Building across the street, at 607 Fannin, between Capitol and Texas. It had also been built by Ross Sterling to house the Houston Post Dispatch, but had been leased to Shell Oil in 1928 and later sold, subject to the Shell lease, to Glenn McCarthy. When McCarthy liquidated his holdings to pay off $52 million in debts, he conveyed the Shell Building to the M.D. Anderson Foundation, which then conveyed to an insurance company, then to Del E. Webb, the Mafia-connected contractor who had built the Flamingo Hotel in Las Vegas for Bugsy Siegel, allegedly with money laundered through real estate in Arizona. Ross Sterling, one of the founders of Humble Oil (now Exxon) with W.S. Farish and others, became insolvent during the 1930's and, at the instigation of tycoon and fixer Jesse Jones, sold his banking interests to Joseph Meyer. His sons continued operation of the bank for many years and also were the first suburban real estate developers in Houston. The Meyerland Plaza was one of the first shopping centers in the Houston suburbs--located in the upscale Jewish area developed by the Meyers through their associates Walter Mischer and Howard Terry.

According to James Presley [source: James Presley, A Saga of Wealth: The Rise of the Texas Oilmen (New York: G.P. Putnam's Sons, 1978), p. 189], McCarthy's creditors were the Equitable Life and the Metropolitan Life Insurance Companies. McCarthy also owned a $700,000 mansion, a chain of neighborhood newspapers, the Beaumont Natural Gas Co., a steel plant in Detroit, a 15,000-acre ranch in West Texas and a chemical company. According to his friend Jim Clark, who authored several books with Halbouty, McCarthy could drill a well cheaper than anyone else, and "the Gulf Oil Company got into every deal they could with him, just for that reason." (p. 190.) He was also a close friend of oilman Harry Sinclair (of Teapot Dome fame) who had tried to buy him out for $50 million at one time.

Halbouty also had Mafia connections, a fact he blames on friend and investor Lenoir Josey, who was said to have

... associated frequently with such underworld gambling figures as 'Dandy Phil' Kastel of New Orleans; Al Smiley, who was Bugsy Siegel's running mate on the West Coast; and others from New York, Boston, and Chicago. Reports had it that Josey was putting underworld money into the oil business, but his friends insisted that Josey simply was fascinated by the hoodlums.

To come up with his share of the investment, Josey:

... brought into the partnership an interesting mix of solid citizens and some of the state's most notorious gambling figures. One was Jakie Freedman, who ran an elaborate gambling layout in an elegant mansion near the end of South Main Street. From the mid-forties until mid-fifties, Houston ran wide-open to gamblers who made payoffs to city and county officials through 'Fat Jack' Halfen, a hefty hustler known as the 'Big Fix.' Josey had apparently assigned an interest in his oil holdings to Freedman during a gambling bout where he came up short of cash. Freedman brought in gaming operator Herman Williams and Fort Bend County's "gambling czar," B.C. McKnight.

Freedman was a Russian Jewish emigrant who, in addition to being the gambling boss in Houston, was in partnership with Sam Maceo in Galveston. Jakie kept his money at First City National, and the lawyer who drafted and witnessed his will was Wharton Weems, a partner at Vinson & Elkins. Weems, Elkins and other members of the elite business community of Houston were known to accompany Jakie each year to the Kentucky Derby.

(3) I have since discovered that Loeb's company was also a contributor to the Council on Foreign Relations in 1960-61. It's an impressive list of companies. (http://pages.ripco.net/~retief/Chapter1.html). Carl M. Loeb, Jr. in 1958 was chairman of the New York City Board of Corrections, planning new prison construction and awarding contracts. (http://www.correctionhistory.org/html/chronicl/bdofcorr/bdofest2.html and http://www.correctionhistory.org/html/chronicl/bdofcorr/2ndrpt60.html).

(4) In 1924, it was revealed that while the union pension funds owned one-third interest in the Empire Trust, the Empire Trust Company held more than half the total capital of the Central News Limited of London--an energetic enemy of all working class movements in Europe. (See http://www.boondocksnet.com/ai/ailtexts/loveston_g.html).

(5) From a letter dated Oct. 10th, 1931, from Roy F. Bergengren to Dr. J.J. Tompkins in Canso, Nova Scotia: "...Warren S. Stone, who was then Grand Chief of the Brotherhood of Locomotive Engineers, our most powerful labor organization of railroad men. This particular union had at one time very great resources, and under Mr. Stone's leadership they organized a large bank in Cleveland, Ohio, bought a bank in New York, built a great office building, controlled a coal mine, went into a land development in Florida, etc., etc. I expressed to Mr. Stone my opinion that if men who work for a living were going to learn how to run banks successfully, they should first learn how to run credit unions successfully in order to get some preliminary training. He laughed at the notion. When he died, as you know, all of the projects which he had fathered went to smash, and the Brotherhood was in such bad financial condition as the result of the crash, that members of the Brotherhood are still paying monthly contributions in an effort to make up the deficit." (http://collections.ic.gc.ca/co-op/roy.htm).

While Stone was head of the locomotive union during the early 1920s, there were several strikes called against the Atchinson, Topeka and Santa Fe and the Union Pacific http://www.ausbcomp.com/~bbott/cowley/Oldnews/PAPERS/TRAV16.HTM

(6) http://www.totse.com/en/religion/the_occult/nazihist.html

[I believe the following quote is taken from David Leon Chandler's book Brothers in Blood (New York: E.P. Dutton Co., Inc., 1975), which is the source cited in Dope, Inc. for the information above.]

> Joseph Mazzini, founder of Italian Scottish Rite Freemasonry, sent two of his Sicilian "Young Italy" proteges, Joseph Macheca, Charles Matrenga and Guiseppe Esposito to New Orleans to take over the port facilities after the failure of the British financed and armed Confederacy, as an entry point for post war black market commodities and anti-Reconstruction espionage networks. Esposito then traveled through the United States, pulling together Italian-speaking secret societies and establishing intercity communications where none had existed before. From Esposito's tour onward, the Sicilian-speaking secret societies became crime syndicates. The vehicle for the New Orleans mob's conversion to "legitimate" business came to New York from Bessarabia, established his organization in ten years and moved his headquarters to Canada. Samuel Zemurray, obtained financing from Boston and New York banks, and bought out the Macheca Gang's shipping interest. Joe Macheca's shipping line merged with four others to form the United Fruit Company, recently rechartered as United Brands. When Charles Matrenga died in 1943, the entire board of United Fruit turned out for the funeral. The power ruling the banana republics of Central America is and has been the United Fruit Co. Every coup in the region has been backed by Uited Fruit, which ran the nations of Cntral America as slave-labor plantations. For forty years the United Fruit Co. stood behind the regime of Anastasio Somoza in Nicaragua.
>
> The link between organized crime, banking and international intelligence is rarely observed since little is written in traditional academic history that reveals these links. Cnsequently, law enforcement and always concentrates on the "little cheeze" and pulls back whenever it approaches connections which break past derivative cutouts and point to the financial elite. The

link between organized crime and banking received a jolt in the early 1980's with revelations about the Banco Ambrosiano, the P2 masonic lodge, the Papacy and the Bank of London. This link remains unprobed and unreported even now in the heat of the savings and loan scandals and the BCCI investigations.

OTHER LINKS AND SOURCES:

(1) About Jay Lovestone and the Communist Party: from Lovestone, Jay. "American Imperialism: The Menace of the Greatest Capitalist World Power." (Chicago: Workers Party of America, n.d. [1925]). http://www.fabw.org/histcp/15.pdf ; http://www.boondocksnet.com/ai/ailtexts/loveston_b.html and http://www.weisbord.org/Reviewed.htm. One interesting union squabble Lovestone was involved in is described in http://www.plp.org/pamphlets/flintstrike.html.

(2) Ted Morgan's biography is the first to draw on both Lovestone's personal papers and extensive FBI files about his activities. (http://www.boondocksnet.com/cb/biography.html and http://hallbiographies.com/leaders/132.shtml and see Ted Morgan's book, A Covert Life : Jay Lovestone Communist, Anti-Communist, and Spymaster). Also see http://www-hoover.stanford.edu/publications/digest/991/danielson.html and http://larouchein2004.net/pages/pressreleases/2001/011118aflcio.htm).

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Occupation: lawyer, business executive
Source: The Complete Marquis Who's Who ®. Marquis Who's Who, 2001.

Source: The Complete Marquis Who's Who TM . Marquis Who's Who, 2001.

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FOLLOW THE YELLOW BRICK ROAD: From Harvard to Enron
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FOLLOW THE YELLOW BRICK ROAD: FROM HARVARD TO ENRON

PART THREE

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What was so special about 1974?

A rose by any other name is still a rose. A syndicate, by any other name, may just be a consortium. It was in 1973 that the consortium members who owned shares in the Arabian American Oil Company (Aramco) sold 25% of their stock in the corporation to the Saudi Arabian government. In 1974 an additional 35% was transferred, with 100% becoming vested in the Saudis in 1980. Could the payments made for this stock equity to some of the members of the consortium have been laundered through Pacific Holding Corporation? Furthermore, could such funds have been used to acquire companies that now make up the company known as DynCorp? Was Pug Winokur involved in this operation, and did it have anything to do with his work at Enron a few years later?

In Part Three we will examine, though not answer, these questions. We will follow the yellow bricks we find along the way. It will be up to you and other researchers to add more bricks until we can clearly see the path that has taken us to Enron. In doing so, it is very important to have a clear understanding about how money works in America. For that reason this section will start with a review of previous parts of this series, adding a general overview that will clarify the focus we are seeking. Because of the complexity of the concepts and the confusing nature involved in financial and corporate matters, a Part Four will be forthcoming in an attempt to make all the connections more understandable.

In Part Four we will return again to the year 1974 to look at the federal law passed by Congress to design the present Department of Housing and Urban Development (HUD), and we will examine how real estate is used to launder massive amount of drug money. We will also trace the history of DynCorp and relate it to what has been written up to now. Finally, we will look at Enron's history and try to answer WHERE THE MONEY WENT.

Is Pug Still Important?

Pug Winokur knows how money works in America. He knows how to manage systems of data and knowledge, analyze and interpret that data, and synthesize it into a form understandable by the action men in the business world. Though he has resigned from the Harvard Corporation, he is still in the center of record-keeping of syndicate accounts in various investments. There are important reasons for the types of investments Pug Winokur manages. It has to do with how the money stream flows from beginning to end. It has to do with

receiving capital from a source, using it as seed money in a business concept which can be taken public (thus increasing the value to up to 30 times the earnings thereof), then dumping the stock into another account or a new enterprise. Because he handles these funds confidentially through venture capital companies based in Connecticut (near where George Bush, Sr. grew up), it is not easy to sort out who the actual owners of the original cash and its accretions are. That is why his mathematical and statistical background is so extremely valuable.

As we discussed in Part One, Pug began his career after Harvard in the Army, assigned to the Defense Department. This was at the height of the Vietnam War and probably involved his obtaining an educational deferment, possibly delaying his military service. It would be interesting to learn what the terms of his Army enlistment were. However, lacking that, it does appear that, after leaving the Defense Department, he still continued to pursue the same goals in which that department was interested at the time, as evidenced by the findings of the Kerner Commission (established under LBJ's Executive Order 11365) and the consequential "Operation Garden Plot" created for the Defense Department in 1968 by Plan 55-2 issued directly by the Department of Defense, which is being used as a pattern by Homeland Security today. (1)

After establishing a number of investment companies which handled many funds from the Harvard endowment, he returned to low-income and "affordable" housing projects which create tax write-offs for limited partner participants in such programs under HUD Regulations. These projects also create real estate mortgages and leases which can be pooled into asset-based securities which may then been sold to secondary sources--without the necessity of holding the original mortgages or leases. Services for maintenance and management of the projects can be contracted out to related firms within the syndicate network. Such types of transactions are not closely scrutinized by HUD in the manner they would be if they fell under the rules of the SEC, so it is theoretically possible to create hidden accounts within government where secret slush funds could be stored for use in black budget operations.

Review and Overview of the Capital Syndicate

In Part One we pointed out that Pug's employment with Pacific Holding Corporation in Los Angeles came in 1974 (the year Richard Nixon was forced to resign because of the impending impeachment proceedings), and brought him in contact with a corporation which held all the stock of International Mining Co., which was then the majority shareholder of George Bush's former corporation, Zapata. When Bush left his position there in late 1966, the corporation became Zapata Norness, a subsidiary of the original corporation founded in Midland, Texas with the Liedtke brothers. The Liedtkes took over South Penn Oil Co. in Philadelphia--like Magnolia and Atlantic, one of the original Standard Oil subsidiaries--and merged their holdings into Pennzoil, spinning off the Zapata Norness subsidiary, which then reverted to the old name of Zapata Corporation.

Having read Part Two, including the two sub-parts about the investment syndicate and brief history of United Fruit Company, you no doubt have an inkling of why people who work for the CIA have invariably referred to their employer as "The Company," rather than the American taxpayer. You also have a better idea why members of the American Mafia said they were working for "The Syndicate." The truth is these two groups make up two tentacles of the octopus that runs American society today. People disagree about when it began, though we have traced the roots as far back as the reorganization of United Fruit in around 1900. It was at that point that the men who ran Harvard Corporation--primarily the remnants of the Cabot family of chartered company fame and their descendants, like the Lodges, Lowells, Perkinses and Paines--merged with the New York faction incorporated into the Empire Trust and its eventual successor Bank of New York. The two groups also received debt financing from British and Canadian sources, which would eventually acquire a hidden equity position in the syndicate, as defaults in repayment occurred, and entities were reorganized. As competition arose from a New Orleans-based company, composed of European organized crime members from Sicily and Eastern European Jews, the syndicate was enlarged to add that faction as well. Each segment of the syndicate maintained its own distinct responsibilities.

The Boston group became the money launderers making capital which arose from profits available for investment to others in legitimate business. Much of the funds were routed through the university endowment of Harvard and also Yale, which was an offshoot of the Massachusetts families who had made their initial fortune in opium. (2) Much of this was funneled to venture capital and insurance companies based in Massachusetts and Connecticut.

The New York group was based on Wall Street and grew to become elite lawyers and bankers who dealt with issues of stocks, bonds and contracts. The New Orleans group became the distribution and enforcement mechanism for the syndicate's operations. They created a network in every major city with either a port or railroad hub in order to control the transportation and distribution system. The financial model which was developed became a legal framework, or infrastructure, which could be used in other types of investments in which the syndicate members had placed their capital--from railroad industrials to petroleum and mineral production, distribution and refining to other forms of manufactured products.

How the CIA Grew out of the Syndicate's Collection and Enforcement Mechanisms

In 1900 there was no intelligence agency in the United States, other than what began in the Navy and later with Division Five of the FBI, which was set up as Special Training School 103 by the SOE (Special Operations Executive), a branch of the British MI-6. It was established December 6, 1941, at Whitby, Ontario, Canada through co-operative efforts of the British Security Co-Ordination (BSC) and the Government of Canada. (3)

It was not until William J. Donovan was appointed coordinator of information on July 11, 1941 that work was begun to establish in America a foreign-intelligence service made of civilians. Almost without exception, the men trained as agents for the Office of Strategic Services (OSS) were investment bankers and attorneys either on Wall Street in New York or affiliated in some manner with such firms through a network of business relationships that spanned the American continent and reached across international boundaries. It was the only model available to copy at that time. While managing investments of capital coming into America, as well as going abroad, these bankers and lawyers were necessarily concerned with intelligence gathering to protect their own commercial interests. They had established relationships abroad to assist in collecting and enforcing delinquent loans and to seize assets to secure their investment. Additionally, they had learned to use the U.S. diplomatic service in negotiating with foreign governments to protect American capital invested abroad--often using diplomats in covert roles to protect their own commercial, rather than a purely national, interest.

After World War II, the permanent CIA was created under Allen Dulles, who had been an attorney with Sullivan & Cromwell on Wall Street--along with his brother, John Foster Dulles, who became Eisenhower's Secretary of State. Sullivan & Cromwell had been the law firm which had long represented the United Fruit Company. (4) The firm had acted on behalf of the Rockefellers in business and banking. Through Allen Dulles, the firm also represented investment banker Brown Brothers, Harriman interests beginning in 1936 to "dispose of Standard Oil investment stock," which had been combined with German chemical corporation I.G. Farben. Dulles also directed U.S. business affairs for Fritz Thyssen, Hitler's primary financial backer. (5)

After the stock market crash of 1929, the syndicate's management committee went through a change in control from Morgan Stanley to Rockefeller when the Equitable Trust merged into the Rockefeller's Chase National Bank of New York. After the Standard Oil Trust was ordered to be dissolved by the Supreme Court in 1911, we can only assume that an agreement had been worked out among the various equity owners (6) to handle their respective interests. Who better to ensure that Sullivan & Cromwell's clients would collect debts from both the Germans and the Russians than attorneys from the law firm, appointed in a political capacity by the U.S. government? (7)

The Rockefellers used more than one law firm, depending on the type of legal work desired. Nelson Aldrich's old firm--called Murray, Aldrich & Webb in 1931--developed into Milbank Tweed Hadley & McCloy, and traditionally handled real estate matters. Standard Oil took its legal work to Sullivan & Cromwell--which was

also United Fruit's attorney. Banking business for the Rockefellers was handled by Milbank Tweed. In 1947 Milbank hired John McCloy, whose legal career began at Cravath, Henderson & DeGersdorf--later called Cravath, Swaine & Moore. Cravath had long been the attorneys for investment bank Kuhn, Loeb (which handled Union Pacific's bond issues for E.H. Harriman at the close of the 19th century), and by the post-World War I years was handling syndication of war reconstruction loans for Europe. Kuhn Loeb, the investment banker for British investors in the syndicate, was noted for partners Otto Kahn, Jacob Schiff, an agent from the Rothschild bank, Felix and Max Warburg transplanted to New York from Hamburg, Germany, as well as Sir William Wiseman from Canada.

In the years after World War I, McCloy had noticed a shift in world investment. Whereas prior to the war, Cravath represented Europeans investing in American securities, after the war capital flowed in the other direction. McCloy was sent to Milan, Italy and traveled extensively throughout continental Europe--floating bonds in Europe to be sold in America--which McCloy considered a form of a private "Marshall Plan" to reconstruct post-war Europe. While in Europe McCloy socialized with Allen Dulles, Sullivan & Cromwell's man in Paris. McCloy's work in Europe was interrupted in 1931 to work on the "Black Tom" sabotage case, working closely with British intelligence--a case which did not end until 1941. After a decade of studying how the intelligence gathering agencies of other nations operated, McCloy returned to legal practice where his clients' goal was to reconstruct a world order with the United States as the dominant economic and military power. The shift from the Morgan and Kuhn Loeb banks to the Rockefeller empire exemplified this desire. So did McCloy's move from Cravath to Milbank Tweed, as well as his eventual chairmanship of the Chase Manhattan Bank.

Importance of Post War Commissions for Reparations

World War II set the stage for a massive plan for moving assets (many of which were seen either as property in which the syndicate had an equity interest, or collateral securing its debt) across international borders through mechanisms set up by international businessmen and lawyers strategically placed within their respective governments--following the same model used after the first world war. Since the Democrats were in power in Washington throughout the war and into 1953, operatives were placed within that Party's structure. It was necessary to ensure that the people in power would appoint the "right" person to be in charge of dividing the spoils of war. It was mentioned in Part Two that the American in charge or reparations after World War I had been Charles G. Dawes, a founder of the Pure Oil Co., who as the American member of the Allied Reparations Committee, helped reorganize German finances with the assistance of loans from U.S. investors. The punitive obligations imposed to collect the war debts affected the currency system as well as bringing into play the question of how to foreclose on assets in event of default in the payments. The job required considerable coordination between private investors, lenders and the government.

At the close of World War II, in April 1945 Truman appointed Edwin W. Pauley as the U.S. representative to the Allied Reparations Committee, with the rank of ambassador, as well as industrial and commercial advisor to the Potsdam Conference. The reparations agreement reached at Yalta in February of that year had been negotiated by two important members of the syndicate involved in United Fruit--Lord Beaverbrook (Max Aitken) and Averell Harriman. Beaverbrook was closely tied to the money-laundering Canadian banks such as the Royal Bank of Canada and the Bank of Nova Scotia, and the Brown Brothers, Harriman investment bank had as clients others who were named in the lists of investors set out in Part Two-B, such as British Linen Company and the Bank of Scotland. In addition, Harriman's participation in Yale's Skull and Bones meant that he had loyalty to the Russell Trust, successor to the Bostonian opium traders--Cabot, Perkins, Forbes and Russell.

A month after Pauley's appointment, Averell Harriman was meeting with Skull and Bones mentor, Henry Stimson, along with John McCloy and Bonesman Harvey Bundy (whose two sons from the same secret society would later manipulate world foreign policy for Kennedy and Johnson). (8) Their concern was the role the Soviet Union would play in the division of Germany's assets, as well as the additional problem of Chiang Kai-

shek, who had been forced off the Chinese mainland by Japan. The irony in these meetings cannot be overlooked by students of the syndicate. Not only was Wall Street lawyer McCloy assistant secretary of war under Stimson, he also became High Commissioner in Germany and, as partner of Milbank, Tweed, Hadley & McCloy, served as legal counsel to the "Seven Sisters" oil companies--a consortium which will be discussed below.

Edwin W. Pauley and the California Arabian Standard Oil Company (Casoc)--later Aramco

Pauley seems to have appeared out of nowhere, much like David Murdock. His Who's Who biography in 1954 states he was born in 1903 in Indiana to Elbert L. Pauley and the former Ellen Van Petten, that he attended Occidental College northeast of Los Angeles during 1919-20 before getting a degree from the University of California in Berkeley in 1922 and an M.S. a year later. It also indicates that he founded a company in 1923--an extremely adventuresome act for one so young--called Petrol Corp. The Petrol Corp.--a business that fueled oil tankers--was located at 4020 Bandini Blvd. in Los Angeles, California--southeast of downtown L.A. and to the west of the intersection of S. Atlantic Blvd. Bandini is parallel to both the Los Angeles River and the railroad tracks for Union Pacific and Burlington Northern Railroads. This area is now part of the Alameda Corridor, a $2 billion project designed to clean up the pollutants left by the railroads and redesign the community around the site--in South Central L.A., the same area where crack cocaine kingpin Freeway Ricky Ross had operated in the mid and late 1980s. (9) The significance of this fact will be pointed out in the footnote and in Part Four.

Ten years after founding Petrol, Pauley was president of Fortuna Petroleum, associated with Standard Oil of California (SOCAL), which later became Chevron. Fortuna Petroleum Co. is now a U.S. subsidiary of the Canadian company, Talisman Energy, which is a successor to BP Canada, and is involved in a joint venture with Cuba, while Talisman has been accused of abusive practices in the Sudan. British Petroleum (BP) would eventually merge with Standard Oil of Ohio (SOHIO) and with ARCO (AtlanticRichfield), and even later with Amoco. In 1935 Pauley was listed as being connected with Seaboard Royalty Co., a part of Texaco, whose connection with Socal will be explained shortly. In 1938 he was appointed to fill an unexpired term on the UC Berkeley Board of Regents, and remained a regent until 1972. In 1940 he served as a member of the Interstate Oil and Compact Commission; then in 1941 became Roosevelt's petroleum coordinator for war in Europe on petroleum lend-lease supplies for Russia and England. (10)

He was given several assistants for his work, all of whom had much more diplomatic expertise than he. One of these was Isador Lubin, a Harvard-educated economist, who had a statistical background with work in numerous government agencies and commissions since the first world war. Another was Luther Gulick, a contract employee with the Bureau of the Budget, whose salary was paid through that channel, under protest by the director. It appears that Pauley was there simply to represent the interests of the company which owned the oil reserves the Allies decided were necessary to fight the war against Germany and Japan. There were numerous other diplomats involved in similar activities. One was Ambassador Joseph E. Davies, a special envoy appointed by President Roosevelt to confer separately with Stalin and Churchill and as an adviser to Potsdam. He also served as vice chairman of the Democratic National Committee in 1936 and of Roosevelt's inaugural committee in 1941--strangely causing one to wonder about the connection between campaign chairmen and special economic envoys.

California Oilmen, Envoys, and Flying Tigers

The pilot who flew Ambassador Joseph Davies to Moscow was a Californian named Robert W. Prescott, who founded the Flying Tiger Line in 1945, and served as chairman of the airline's parent company, Tiger International, which was created in 1974 --the year Pug Winokur went to work for David Murdock's Pacific Holding Corp. In November, 1944 Prescott had met with a group of Los Angeles businessmen in Acapulco, including one of Pauley's fellow UC Berkeley regents, Samuel B. Mosher, who wanted to establish an air freight line along the U.S. and Mexican west coast, to be called Aero-Azteca. The investors included Signal Oil Company. They agreed to form a syndicate, with Mosher's group matching whatever Prescott could raise.

Prescott found 14 Navy surplus cargo aircraft from the War Assets Administration and collected cash from friends from the American Volunteer Pilots unit (AVP) who had flown with him in China. This group of American civilians who fought with Chiang Kai-Shek in China before the U.S. entered the war (all of whom received the same commendation Cloud and Banner award given to Pug Winokur's father during his war service) had an important role in the setting up what William Casey would later call an "off-the-shelf" method of financing covert operations for the CIA and other black operations not disclosed to Congress. A brief history of that role is set out in the footnote. (11)

The airline was initially called National Skyways Freight Corporation and included General Claire Chennault and others. In 1946 Chennault invited the men to go back to China to work for him at Civil Air Transport, which he was in the process of founding. By 1970 Nixon's attorney Herbert Kalmbach claimed to be representing the Flying Tiger Line, which merged with Seaboard World Airlines in 1980 and into Federal Express in 1989. In the beginning the California airline transported mostly foodstuffs but in late 1946 was awarded its first military contract with Army Air Transport Command--two flights daily to Tokyo and to Honolulu for a total of 1.2 million miles per month. The flights were to leave from San Francisco Fairfield Air Base, but the company remained based at Lockheed in Burbank.

In Mosher's 1954 Who's Who listing his home address was given as 10401 Wilshire, located just west of the Los Angeles country club and one mile east of the office building David Murdock constructed across the street from the Occidental Petroleum Co. The close proximity is very intriguing, considering the fact that in 1966, the year George Bush left Zapata, Mosher's Signal Oil sold its European refining and marketing arms to Occidental, after Armand Hammer obtained a concession from Libya's King Idris, who would later be replaced by Quaddafi. (12) Mosher's office address in 1954 was given as 811 W. 7th in Los Angeles. This is just over five miles from Pauley's Bandini office. AtlanticRichfield's 12-story office building in Los Angeles was at the corner of 6th and Flower, a mere two blocks from Mosher's location. In 1954 Mosher was also serving as vice president and director for American Independent Oil Co. (whose president was Ralph K. Davies), and as director of the Southwest Exploration Co. and the American President Lines, as well as numerous oil and gas associations.

American President Lines was a merchant shipping company originally founded in 1846 as Pacific Mail Steamship, and around 1918 becoming a subsidiary of the Grace lines. The company was seized by the War Shipping Administration during World War II and used by the government until 1952, when it was sold to oilman Ralph K. Davies and other investors. Davies, a 1916 graduate of UC Berkeley, lived in San Francisco and was president of American President Lines in 1948 and chairman in 1952. Before and during the war he was deputy petroleum coordinator and a member of the President's Mission to London to negotiate the Anglo American oil treaty, as well as being a special consultant to Secretary Ickes. He was the first director appointed to the Oil and Gas Division of the Interior Department in 1946 and a member of the National Petroleum Council in 1950.

As president and director of American Independent Oil Co. (Aminoil) beginning in 1947, and of its Mexican subsidiary in 1949, he joined with Signal Oil and Edwin Pauley in signing the first "service contract" with Pemex, an oil company owned by the government of Mexico on March 5, 1949. The terms of this contract were disclosed by Everette DeGolyer in a letter to a friend, Ambassador Lewis Douglas, and were quoted in the book by Lon Tinkle, Mr. De: A Biography of Everette Lee DeGolyer (Boston - Toronto: Little, Brown & Co., 1970), pp. 325-26. During that same time a syndicate called Aminoil--which was said by Leonard Mosley in his book Power Play: Oil in the Middle East, to be a consortium composed of two individuals (Ralph K. Davies, a California lawyer and former Socal vice president, and James S. Abercrombie, a Houston oilman) and eight oil corporations, the largest of which was Phillips--was also heavily involved in explorations in the Middle East. It made a successful bid to buy 50% of the concession in the Neutral Zone between Kuwait and Saudi Arabia for a 60-year term. J. Paul Getty's Pacific Western Oil bid on the other half for a much higher price. With Aminoil's connections, it was able to convince the U.S. Treasury to pay $50 million to Saudi Arabia in order to match the Getty offer. According to Mosley, Getty had not calculated on "incompetence, inexperience

and stubbornness, and he soon discovered that his mandatory partners in the Neutral Zone concession were afflicted with all these vices." (p. 185)

Whether Ralph Davies was related to Ambassador Joseph Davies is unknown. However, Ralph was a frequent visitor to Secretary Ickes, as evidenced by Ickes "Secret Diary." In fact on December 21, 1940 Ickes wrote that he had been visited by Edwin Pauley with regard to an oil regulation bill in California, suggesting that Ickes talk to R.K. Davies, vice president of the Standard Oil Company of California, who needed some encouragement in his support for the Atkinson law. This information prompted Ickes to invite Davies to meet with him for the first time. The next reference to Davies in the diary came the following March, following the passage of the lend-lease bill, when Ickes was clearly impressed with Davies' interest in conserving oil. That favorable impression had significantly increased two months later. When Ickes' assistant Abe Fortas was transferred to the Securities & Exchange Commission, Ickes told Roosevelt he would choose either Pauley or Davies as Deputy Coordinator. Pauley indicated that he thought the president had a different job in mind for him, but, when asked, Roosevelt related to Ickes that it was Ed Flynn, chairman of the Democratic National Committee 1940-42, who kept pushing Pauley off on him. Flynn was a New York Catholic and member of the Knights of Malta, according to his Who's Who listing. Pauley would be named as Flynn's successor at the DNC and go on in 1944 to serve as director of the Democratic national convention.

Pauley had been in the center of the California oil industry since leaving college. In 1933 Saudi Arabia granted an oil concession to a newly formed corporation called California Arabian Standard Oil Company (Casoc)--an affiliate of Standard Oil of California (Socal--now Chevron), which would almost certainly have been an affiliate of Fortuna, and in 1936 the Texas Company (now Texaco) acquired 50 percent interest in Socal's concession. It was in 1935 that Pauley was involved with Seaboard, a Texaco affiliate. The first oil discovery was made in Dhahran, which became the headquarters for Casoc. Oil was first transported by tanker to the refinery in Bahrain in 1939, and the company was renamed Aramco in 1944. The new refinery built with military financial support opened in 1945. Overlapping all these business pursuits, from 1938 until 1972 Pauley served on the Board of Regents at the University of California at Berkeley. (13)

It was Pauley and Davies who in 1943 convinced Ickes to form a government corporation, Petroleum Reserves Corporation, to make public funds available if necessary to prevent the British government, which owned 51% of the oil in Iran, from moving into Saudi Arabia where the California oilmen were centered. Oil was produced in Iran pursuant to a detailed agreement worked out with the seven major oil companies, the "Seven Sisters," all of whom were represented by the same attorney--John J. McCloy. Everette DeGolyer, the famous geologist, and other experts, were sent on a mission for Ickes to Saudi Arabia in late 1943 to investigate the option of the government purchasing the stock of Aramco. Government purchase of even a minority share in Aramco would have put the company in the uncomfortable position that Anglo-Iranian had occupied in Iran since 1914, when the British government acquired 51% interest in what would become BP. (14)

U.S. Governmental participation in the field of private industry did not meet with favor in the business community, especially among independent oil producers. The project was abandoned. Aramco would construct the refinery improvements and pipeline itself, by taking in more partners into the consortium. The government, however, in need of the oil for the war, gave logistical support out of the military budget. High military priorities were to be assigned to the steel and other critical materials required, trucks and other equipment which could be spared from Army stocks were to be sold to the Company, and materials and men would be moved by military air and sea transport. In addition new storage tanks, loading lines and a long new pier and wharf for tanker docking would also be built. An underwater pipeline from Arabia to Bahrain, where the Bapco refinery was also being enlarged as part of the foreign oil expansion program, was also included in the plan. (15)

By 1948 the ownership of Aramco was stabilized as follows:(16)

Socal --30% (Chevron)
Texaco -- 30%

Exxon -- 30%
Mobil -- 10%

In 1973 Saudi Arabia acquired 25% and in 1974 an additional 35% from the other owners. If sold pro rata, that means by 1974 the shares were down to:

Socal -- 12%
Texaco--12%
Exxon --12%
Mobil --4%

By 1980 the government of Saudi Arabia had purchased 100% interest in Aramco. The question is how much money that translated to, coming in to the shareholders, and how they accounted for it on their tax returns. These would be excellent questions for further research. In 1950 Aramco had discovered how to manipulate income taxes, not only to the advantage of the Saudis who were demanding more cash, but to their own benefit. A Treasury Department official had drafted a tax law for the Saudis, to directly tax the income received by Aramco. The Saudis would get the same revenue they would have gotten for an increased royalty; yet Aramco could deduct the foreign tax from any U.S. income tax liability, resulting in a windfall to the consortium members in the corporation and greatly reduced taxes paid to the U.S. Whether the sale of the corporate stock would have been taxable is another question.

Meanwhile, Back at the War...

Keeping in mind the importance of geography helps us tie in the disparate elements that must be viewed as a whole if a clear understanding is to be made of the role these California oilmen played in shaping today's world. During most of the time they were concerned with marshalling the oil supplies in Mexico and the Middle East, wars were being fought in Europe, Japan, Korea and other parts of Southeast Asia. Throughout the 1950s U.S. foreign policy was totally in the hands of the syndicate's enforcement team of John Foster and Allen Dulles, who instituted the cold war against Soviet Communism. To the syndicate, "communism" is merely a euphemism for "expropriation."

After using "The Bomb," however, there was a need to back away from ultimate retaliation and be content with waging a more limited war to prevent the spread of a notion that assets on foreign soil, belonging to syndicate members, could be taken from them. There was also a belief in the necessity of an ongoing foreign intelligence-gathering agency to protect investment abroad, which would not have to be paid for by the private companies who had borne those expenses prior to the creation of the OSS. With that in mind, Truman was convinced of the need for the continuation of the intelligence function of the government, and the CIA was created in 1947--with legislation drafted naturally by attorneys who had long represented syndicate business interests.

Redistributing the Loot--Edwin Pauley's Role

The first priority immediately following the war was to rebuild Europe economically to prevent Germany's armaments from being built up and the dispersal of any loot that may have been seized from syndicate members, hidden, or otherwise converted to other accounts. Following his assignment with Ickes overseeing the petroleum reserves, Edwin Pauley was given the job as America's representative to the United Nations Allied Reparations Commissions. In a June 1945 letter to Truman, Pauley criticized the character of the U.S. occupation and urged the President to set the groundwork for a new policy that would stress the re-education of the German people and the rebuilding of Germany within the U.S. occupied zone. Truman's selection of Pauley was praised by various businessmen representing oil interests, one of whom was an attorney named James Fitzpatrick at 530 W. 6th Street in Los Angeles, very close to the offices of Sam Mosher and the Atlantic Refining Building at the time. (17) Pauley's work on the reparations commission was to be coordinated with

"international economic activities" of a variety of federal agencies staffed by men from private industry such as Ashland Oil of Kentucky. (18)

One of the weightiest matters Pauley dealt with concerned what to do with captured assets like gold and works of art. Among the papers archived with the government is an August 8, 1945 cable from the Secretary of State to Pauley concerning the retention of a lien on gold looted from occupied countries by Germany with a view towards settling U.S. claims against such countries and an August 20, 1945 cable from Truman to Pauley indicating that State Department opinion should prevail in the matter of handling gold captured in Germany, with all correspondence on the matter addressed to the Secretary of State. (19)

The gold issue is a very complicated one that is completely outside any field of expertise I might have. However, there are researchers like Bill Murphy and James Turk whose work in this area is extremely enlightening. For the purposes of this article it should be emphasized that many of the negotiations following World War II concerned evaluations of recovered assets and the exchange rate to be applied in the currency adjustments between various monetary systems. These talks were based primarily in Bern and Basle--not coincidentally, where Allen Dulles was based during the same period of time as director of the CIA. From numerous websites, I have extracted certain information that may be useful, which is located in the footnote. (20)

At the Crimea Conference in April 1945 the major powers had agreed that Germany would be "obliged to the greatest extent possible to make reparations." Then there was the matter of Chiang Kai-Shek's ouster from mainland China by the Japanese. After negotiating the formula and methods for exacting reparations from Germany, Pauley led the U.S. Reparations Mission to Japan in late 1945 and a third mission concerning Japanese assets in Soviet occupied Korea and Manchuria in 1946. On March 7, 1947, Pauley transferred to the Department of State and was designated Special Advisor to the Secretary of State on Reparations. This would have placed him within the employment of James F. Byrnes and successor George C. Marshall in the department where, between the lapse of the OSS and the creation of the CIA, the intelligence gathering function was based.

Almost immediately after this assignment, Pauley and his California friends Mosher and Davies through their respective companies, executed an agreement with Pemex to explore for oil in the Gulf of Mexico. It should also be noted that 1949 was the year George Bush left his trainee job with a Dresser Industries subsidiary in "beautiful" Odessa, Texas to work for Pacific Pumps, a subsidiary in Huntington Park, California that Dresser had acquired in 1940. The current office of Ingersoll-Dresser in Huntington is located at 5715 Bickett St., less than three miles from Edwin Pauley's former Bandini address. He has also been reported to have frequented Ventura, Compton and Whittier during that year. (21) Pacific Pumps was used in the Manhattan Project in developing the Oak Ridge, Tennessee gaseous diffusion plant. According to Darwin Payne, Pacific engineers designed a pump to handle corrosive coolant liquid mixed with uranium, and "the secrecy involved clearly indicated that the project had absolutely top governmental priority." An Army bomber flew coolant for testing under armed guard to Huntington Park. Pacific eventually supplied more than 600 pumps to Oak Ridge during 1944-45. (Payne, Initiative in Energy, pp. 176-77.)

It might also be noted here that one of Dresser's directors (1952-62) was Tom Slick, associated with Slick Airways of San Francisco, who was also a Texas oilman. The cargo airline was also related to the Flying Tiger Line which flew out of San Francisco though based at Lockheed in Burbank. (22) In Bruce Adamson's research into the background of the persons whose names were found in George DeMohrenschildt's address book, Tom Slick's San Antonio address was shown. In addition, Adamson printed a facsimile of a letter from Allen Dulles to Prescott Bush dated January 21, 1953 thanking Bush for his recommendation of Slick and stating that Dulles would mention him to his brother as well as to convey to Dresser's president Neil Mallon that "if Slick should be interested in our line of work here, I will be glad to talk with him." In a previous letter from Prescott Bush to the Republican Party chairman, Bush indicated he had submitted Slick's name not only to Dulles but as a

potential candidate as director of the Point Four Program or as chairman of its advisory committee, mentioning Slick's experience with the Board of Economic Warfare in Chile. (23)

Tom Slick also created the Mind Science Foundation in 1958, as a 501.c.3 operating foundation, in San Antonio, Texas, because he "believed that the study of the human mind and its vast potential was the most exciting frontier of scientific research, and that its development could lead the human race to a new understanding of itself and the universe in which it lives. " The man in charge of the San Antonio research facility was Helmut Schmidt, a German physicist who had worked for Boeing in Seattle, and who has been involved in psychokinetic and remote viewing studies. (24)

Speaking of George DeMohrenschildt, Adamson reveals that Edwin Pauley's address was included therein. This was a Dallas address in the Mercantile Securities Building. Two other names in the book were Wayne Dean, a Zapata Offshore officer, and W.C. "Jim" Savage, who worked for Kerr-McGee. According to Adamson, Savage "had worked closely with Wayne Dean at the California Company," which was Socal's subsidiary operating in the Gulf of Mexico, and now part of Chevron.

Edwin Pauley officed in Mercantile Securities Bldg.,owned by the bank which
employed George H.W. Bush in 1977.

In 1958 Edwin Pauley founded Pauley Petroleum, which had an office in Dallas in the Mercantile Securities Building at 1700 Main--the corner of Main and Ervay. The bank which built the office building was called Mercantile National Bank and was formerly located in the Magnolia Petroleum Building, which had been built in 1922. One of the core tenants of the Magnolia building was Atlantic Refining Co., freshly dissolved from the Standard Oil Trust. This is the company that Robert O. Anderson would acquire and, in 1966, merge with the Richfield Oil Co. in California. Magnolia, of course, was another of the former Standard Oil subsidiaries. The Dallas Mercantile bank has an interesting history that connects to the players in the drama we are studying. In 1897 the Mercantile National Bank was acquired by the National Exchange Bank of Dallas, which had been incorporated in 1874. This consolidated bank would become the First National Bank of Dallas, whose chairman was the grandfather of Robert H. Stewart III, who joined the bank in 1951 and became president in 1960. Stewart was a director of the Great Southwest Corp. and was closely tied to Clint Murchison, Sr. and the Wynne family.

When George Bush was fired as Director of the CIA by Jimmy Carter in 1977, Bush returned to Texas where he became chairman of the Houston subsidiary of First International Bancshares of Dallas, a holding company. The holding company had merged the First National Bank of Dallas with the Houston Bank & Trust, one of the oldest banks in Houston, founded by William Marsh Rice, whose fortune had been used after he was murdered to endow Rice University, controlled by the family of James A. Baker III and the law firms connected to Exxon. In 1975 the Dallas bank's president, Rawles Fulgham, became a director of Dresser Industries. The First National Bank of Dallas had been the bank which financed H.L. Hunt's oil leasing in the East Texas oil fields. This is also the bank where Thomas O. Hicks (Hicks, Muse, Tate & Furst, Inc.) would be employed in 1974. Hicks would later be involved in buying the Texas Rangers baseball team from George W. Bush. (25)

Pauley Petroleum merged into Robert O. Anderson's Hondo Oil, now owned by Lonrho

The oil company that Edwin Pauley created in 1958 has been through an interesting incarnation in the last decade. It was discovered in the text of SEC filings for HONDO CO , HONDO OIL & GAS CO. and HONDO CO ROBERT O ANDERSON LONRHO INC LONRHO PLC (Filing Date: 4/14/1994) at http://www.freeedgar.com/search/companylist.asp . Among the documents filed in those corporate records is the following fascinating information:

> Robert O. Anderson, Chairman of the Board
> Pauley Petroleum Inc.

10000 Santa Monica Blvd., Los Angeles, California 90067

This statement is being filed by The Hondo Company, a New Mexico corporation ("Hondo"), whose principal business and office address is 410 East College Blvd., Roswell, New Mexico 88201. The principal business of Hondo is the ownership and operation of ranch and farm properties in the southwestern part of the United States, the ownership and operation of a registered cattle enterprise and oil and gas exploration, development and production and the marketing of crude oil and natural gas. Additional description of the principal business of Hondo and Hondo Oil & Gas Company ("Hondo Oil & Gas") and the exchange transaction between Hondo, Hondo Oil & Gas and Pauley is incorporated herein by reference to the information under the captions "Summary of Terms of the Exchange," "Conduct of Business After the Exchange," "Change in Control of Pauley," "Acquisition of Additional Pauley Shares" and "Business of Hondo Oil & Gas" in Pauley's Notice of Special Meeting and Proxy Statement (the "Proxy Materials"), a copy of which is attached hereto as Exhibit A.

Robert O. Anderson is the father of Robert B. Anderson and W. Phelps Anderson. Lonrho, Inc., a Delaware corporation, is an indirect, wholly owned subsidiary of Lonrho Plc, a public company registered in England and listed on the London and Tokyo stock exchanges. Lonrho Plc and its subsidiaries are engaged in a variety of activities, including mining, agriculture, motor vehicle and agricultural equipment distribution, manufacturing, freight forwarding and warehousing, printing and publishing and the ownership and management of property and hotels. The principal business and office address of Lonrho, Inc. is: 805 3rd Avenue, New York, New York 10022. The principal business and office address of Lonrho Plc is: Cheapside House, 138 Cheapside, London, England EC2V 6BL.

The executive officers and directors of Lonrho Plc and their residence or business address and positions are as follows:

The Rt. Hon. Lord Duncan-Sandys
President
Lonrho Plc
Cheapside House
138 Cheapside
London, England EC2V 6BL

The Rt. Hon. Sir Edward du Cann
Chairman
Lonrho Plc
Cheapside House
138 Cheapside
London, England EC2V 6BL

In addition, Hondo purchased 350,000 shares of Pauley common stock from William R. Pagen under a Stock Purchase and Option Agreement executed by Mr. Pagen on January 19, 1988 and dated as of December 14, 1987 (the "Stock Purchase and Option Agreement"). These shares were purchased on January 19, 1988 at a purchase price of $20 per share, as provided in the Stock Purchase and Option Agreement. Under the Stock Purchase and Option Agreement, Mr. Pagen also granted Hondo an option to purchase up to an additional 121,000 shares. This option

expired unexercised on January 19, 1988 following the consummation of the Exchange pursuant to the Exchange Agreement described below. The terms of the Stock Purchase and Option Agreement are incorporated herein by reference to the copy thereof attached as Exhibit B.

Hondo used funds borrowed from Union Bank under a Credit Agreement dated January 12, 1988 for the purchases of Pauley common stock on the open market and from Mr. Pagen. Robert O. Anderson, Lonrho, Inc. and Lonrho Plc have guaranteed the obligations of Hondo under this Credit Agreement. The terms of this Credit Agreement, the guaranty by Robert O. Anderson and the guaranty by Lonrho, Inc. and Lonrho Plc are hereby incorporated herein by reference to the copies thereof attached hereto as Exhibits C, D and E, respectively.

Hondo, Hondo Oil & Gas and Pauley entered into an Exchange Agreement pursuant to which Pauley issued to Hondo 10,000,000 shares of its common stock.

HONDO OIL & GAS CO
Form: DEFM14A   Filing Date: 11/25/1998

The Company is an independent oil and gas company, presently focusing on international oil and gas exploration and development. The Company was incorporated as Pauley Petroleum Inc. ("Pauley") in 1958. In January 1988, The Hondo Company ("Hondo") acquired a controlling interest in Pauley in exchange (the "Exchange") for all of the outstanding stock of Hondo's subsidiary, Hondo Oil & Gas Company. In March 1988, the Company acquired Fletcher Oil and Refining Company ("Fletcher" or the "Fletcher refinery"). In January 1990, Pauley merged ("the Merger") with the wholly-owned subsidiary acquired in the Exchange, Hondo Oil & Gas Company. In conjunction with the Merger, Pauley Petroleum Inc., the surviving corporation, changed its name to Hondo Oil & Gas Company.

In December 1989, the Company permanently suspended operations at its wholly-owned subsidiary, Newhall Refining Co., Inc. ("Newhall refinery"). During 1991, Hondo Oil adopted plans of disposal for both its refining and marketing operations and its real estate operations (primarily the land underlying the Newhall refinery). The Company suspended operations at its Fletcher refinery in October 1992 and completed a sale of substantially all of the refining and marketing operations in October 1993.

In June 1992, the Company completed a sale of substantially all of its domestic oil and gas assets and repaid a substantial portion of its long-term debt with the proceeds.

In January 1996, Lonrho Plc acquired control of the Company. Prior to that date the control of the Company was effectively shared with Robert O. Anderson and his family. In a Schedule 13D amendment filed October 15, 1997, by Lonrho Plc and its affiliates, the filing parties said that Lonrho Plc had retained Morgan Stanley & Co. Incorporated to assess and implement strategic alternatives with respect to Lonrho's direct and indirect investment in the Company. Lonrho Plc said such strategic alternatives could include, without limitation, a possible

recapitalization of the Company or a sale or business combination involving the Company or Lonrho's direct and indirect equity interest in the Company (including the sale or assumption of the debt obligations of the Company to affiliates of Lonrho).

The Company's principal asset is its exploration concession in Colombia.

The Company's wholly-owned subsidiary, Hondo Magdalena Oil & Gas Limited ("Hondo Magdalena"), participates in the Opon Association Contract (the "Opon Contract") with Empresa Colombiana de Petroleos ("Ecopetrol"), Opon Development Company ("ODC") and Amoco Colombia Petroleum Company ("Amoco Colombia"). Ecopetrol is a quasi-governmental corporate organization wholly-owned by the government of Colombia. The Opon Contract was entered into between Ecopetrol and ODC in 1987, and approved by the Ministry of Mines and Energy in 1988, to explore and develop an area of approximately 190 square miles located in the Middle Magdalena Basin about 125 miles north of Bogota, Colombia. The Opon Contract is divided into an exploration period and an exploitation period and expires in July 2015.

The Opon Contract provides for an exploration period of six years, which commenced in July 1988 and was extended through September 30, 1995. The minimum work obligations required by the Opon Contract for the exploration period were completed by the associate parties (Amoco Colombia, Hondo Magdalena and ODC). The Opon Contract provides that at the end of the exploration period, the associate parties may seek to declare a field capable of producing commercial hydrocarbons (repaying investment and expenses and returning a profit) by presenting an application to Ecopetrol. Ecopetrol has 90 days to respond to the associate parties' application. If Ecopetrol agrees, then the field is declared to be commercial and production may commence. Upon the designation of an area or field as commercial, Ecopetrol acquires a 50% interest in such area or field and reimburses the associate parties for 50% of the direct exploration costs for each commercial discovery from its share of production. Thereafter, Ecopetrol pays 50% of costs and will receive 50% of production. Revenue from the Opon Contract area is subject to a 20% royalty, which is paid to the Colombian government.

The associate parties completed the minimum work obligations for each of the six years of the exploration period with completion of the Opon No. 4 well in September 1995. An application for commerciality was submitted by Amoco Colombia in February 1996. On May 8, 1996, Ecopetrol approved a commercial field of approximately 2,500 acres around the Opon No. 3 and No. 4 wells (described below). The interests in the commercial field are approximately: Ecopetrol, 50%, Amoco Colombia, 30%, Hondo Magdalena, 15.4%, and ODC, 4.6%. Amoco Colombia, Hondo Magdalena and ODC have interests in the remainder of the Opon Contract area of approximately 60%, 30.9% and 9.1%, respectively.

WHAT MORE CAN I SAY? Except, possibly, this: http://www.eag.org.uk/Past%20Events%20-%201950s.htm

1959

H.R.H. Prince Philip, Duke of Edinburgh, KG, and Dr J, M. A. H. Luns, Netherlands Foreign Minister and President of the North Atlantic Council, and The Rt. Hon. Duncan Sandys, MP, Minister of Defence and General Lauris Norstad, Supreme Allied Commander Europe
http://www.e-familytree.net/220000/f9118.htm

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The events that took place in Saudi Arabia from the mid-1930s culminated in 1980. Most, if not all, the men who shaped those events are now dead. Samuel B. Mosher was survived by his widow, Margaret of Santa Barbara, who served on the board of Signal Companies (now Allied Signal) and as president of the Samuel B. Mosher Foundation and endowed a chair at Johns Hopkins. (In 1985, Allied merged with the Signal Companies, adding critical mass to its aerospace, automotive and engineered materials businesses. Founded by Sam Mosher in 1922 as the Signal Gasoline Company, Signal was originally a California company that produced gasoline from natural gas. In 1928, the company changed its name to Signal Oil & Gas, entering into oil production the same year. Signal merged with the Garrett Corporation, a Los Angeles-based aerospace company, and in 1968 adopted the Signal Companies as its corporate name.) Ralph K. Davies died in 1971, leaving his widow Louise in control of his foundation. Edwin Pauley died in 1981, leaving his foundation in charge of his daughter, Barbara Pauley Pagen. The foundation made a grant to allow the acquisition of Coconut Island by the University of Hawaii. Pauley had bought the island from Fleischmann Yeast fortune heir Christian Holmes (also owner of Coral Tuna) in 1946. Holmes had purchased the property, known as Moku o Lo'e, from the Bishop Estate. Japanese businessman Katsuhiro Kawaguchi bought the Pauley property in 1987.

But in some ways these men are speaking to us from their graves. In the last part it was mentioned that Penn Central purchased thousands of acres of land in California during the 1960s--most of which was planned for residential development. Stock in Macco Realty, for example, was transferred to Penn Central which then sold an asset of 6,000 acres to Palomar Land Company, a subsidiary of Richfield Oil. Robert O. Anderson's Atlantic Refining acquired Palomar in 1966 when it merged with Richfield. From 1964 through 1967 Herbert Kalmbach was vice president and director of Macco Realty, and he also was attorney for the Flying Tiger Lines and AtlanticRichfield. Stay tuned for Part Four.

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NOTES:

(1) "Recently, Pentagon spokesman Kenneth H. Bacon "acknowledged that the Air Force wrongfully started and financed a highly classified, still-secret project, known as a black program without informing Congress last year." The costs and nature of these projects "are the most classified secrets in the Pentagon."(1) Could it be that the current United States Air Force Civil Disturbance Plan 55-2 Garden Plot is one such program financed from this secret budget? ... As this and numerous other documents reveal, U.S. military training in civil disturbance "suppression", which targets the American public, is in full operation today. The formulation of legitimizing doctrine, the training in the "tactics and techniques" of "civil disturbance suppression", and the use of "abusable", "non-lethal" weaponry, are ongoing, financed by tax dollars. According to the Pentagon, "US forces deployed to assist federal and local authorities during times if civil disturbance will follow use-of-force policy found in Department of Defense Civil Disturbance Plan-Garden Plot." (Joint Chiefs of Staff, Standing Rules of Engagement, Appendix A, 1 October 1994.)" http://globalcircle.(net/warathome1.htm Also see: http://globalcircle.net/warathome2.htm . Other sources for these issues may be found at: http://www.humanunderground.com/11september/noble.html and http://uhuh.com/control/garden.htm and copies of .gif files received through FOIA beginning at http://www.bvalphaserver.com/sections.php?op=viewarticle&artid=69 and http://www.blackvault.com/documents/other/gardenplot/gardenplot0.htm and FBI documents beginning at http://www.blackvault.com/documents/other/gardenplot/gardenplotfbi0.htm . These documents concern a continuation of Operation Garden Plot through other civil disturbances and indicate a connection with local

police enforcement in "riot" situations. (See also the index for other documents received under FOIA at http://www.bvalphaserver.com/sections.php?op=listarticles&secid=8.)

(2) See http://www.newsmakingnews.com/lmharvardpart1.htm and other parts.

(3) See http://webhome.idirect.com/~lhodgson/campx.htm and http://webhome.idirect.com/~lhodgson/historyofcampx.html.

(4) ("It [United Fruit] began with enviable connections to the Eisenhower administration. Secretary of State John Foster Dulles
and his former New York law firm, Sullivan and Cromwell, had long represented the company. Allen Dulles, head of the CIA, had served on UFCO's board of trustees. Ed Whitman, the company's top public relations officer, was the husband of Ann Whitman, President Eisenhower's private secretary. (Ed Whitman produced a film, "Why the Kremlin Hates Bananas," that pictured UFCO fighting in the front trenches of the cold war.) The fruit firm's success in linking the taking of its lands to the evil of international communism was later described by one UFCO official as "the Disney version of the episode." But the company's efforts paid off. It picked up the expenses of journalists who traveled to Guatemala to learn United Fruit's side of the crisis, and some of the most respected North American publications - including the New York Times, New York Herald Tribune, and New Leader - ran stories
that pleased the company. A UFCO public relations official later observed that his firm helped condition North American readers to accept the State Department's version of the Arbenz regime as Communist-controlled and the U.S.-planned invasion as wholly Guatemalan." (Quoted from Inevitable Revolutions - The United States in Central America by Walter La Feber, 2nd ed. 1993, pp. 120-121. http://www.mayaparadise.com/ufc1e.htm). Also http://www.tenc.net/articles/randy/swas5.htm

(5) http://www.sumeria.net/politics/bankers.html and http://www.tenc.net/docs/gehlen2-a.htm and http://www.reformation.org/criminal_trading.html and http://www.tetrahedron.org/articles/apocalypse/red_double_cross.html

(6) (Named in the Supreme Court opinion at http://plague.law.umkc.edu/cases/Antitrust/Standard_Oil_case.htm)

(7) http://www.angelfire.com/fl/cubabrains/menocal.html and http://www.banking.state.ny.us/histe.txt. "Rockefeller's influence substituted that of JP Morgan Bank after the Rockefeller-s took over the National City Bank. Rockefeller Brothers Holding Company was associated with Mellon's Bank in the First Boston Corporation. This association later evolved into the present Chase-Mellon Corporation. First Boston controlled United Fruit sugar mills in Cuba. They also became associated with the Chemical Bank established by Astor and the grandfather of Roosevelt in 1823. In addition, they were associated with the Dulles family who founded the Marine Midland Bank with Seligman and Schroeder. The Dulles brothers later founded the Bank of New York. Rockefeller's sources of funds were the funds of Equitable, Metropolitan Life, General Insurance and Great American Insurance Companies. Rockefeller gained control of Chase National Bank in 1930 when this bank merged with his Equitable-Trust Bank. They put aside Morgan in the Chase and this bank later became the Chase Manhattan bank." http://www.angelfire.com/fl/cubabrains/zayasmachado.html See also http://www.yossman.net/mirrors/kreative.net/understandingNWO/utnwo14a.txt

(8) http://www.doug-long.com/stimson3.htm and http://www.us-highways.com/sohist.htm

(9) See http://falcon.cc.ukans.edu/~schrodt/pols572.98/08.CIA.Crack.html. {Ricky Ross (known as "Freeway Rick" on the streets because of the fact that he owned properties near the Harbor Freeway in Los Angeles) was initially unaware of his suppliers' military and political connections. He never knew of the contra rebels, the CIA, or any other Salvadoran involvement with the cocaine for about another ten years. Court records show that the cash that Ross paid for the cocaine was then used to buy weapons and equipment for a guerilla army named

the Fuerza Democratica Nicaraguense (FDN), that was the largest anti-communist force commonly called the Contras (SJMN, day one).}

Also http://www.drugwar.com/cv27.htm and http://www.drugwar.com/cv27.htm {Statement from Catherine Austin Fitts: “One of the products that has been most successful for the first data servicing sites, Edgewood Technology Services, has been "geo-coding" databases and mapping. I wanted to show you this map; it's up on the World Wide Web. This is a map of Los Angeles. Can anyone figure out where south central LA is from looking at where the HUD properties are on this map? This is the same thing as the Washington DC map I showed earlier. The little red dots are single family properties that were financed by (now) defaulted HUD-held mortgages. This map was geo-coded and designed and programmed by a woman who, four months before, had been on unemployment compensation and is a tenant in HUD housing"

If you compare this map with the fact that Freeway Ricky Ross - the crack cocaine kingpin described in Gary Webb's Dark Alliance was known for buying up real estate along the Harbor Freeway and selling drugs throughout this exact area - the mathematical correlation is staggering. Every dot represents a HUD mortgage where the taxpayers lost money in a defaulted FHA loan and where somebody else bought the property for pennies on the dollar. Most of those loans defaulted as the crack cocaine epidemic ravaged Los Angeles. The taxpayers bear the costs of not only the defaulted mortgages, but also deterioration in property value, the crime, and ultimately the depopulation due to very expensive prison warehousing and welfare.

Exactly who bought and traded in properties throughout this area should be the subject of congressional hearings looking into corrupt HUD practices from the period and continuing to this day. I suspect that many of the same players connected to the Savings and Loan scandals, who have also been tied to Iran-Contra and CIA's drugs will surface yet again. Demographically it is also easy to see now that the racial composition of South Central has changed radically and that African-Americans have been geographically and politically fragmented as, I believe, an intended result. Their political power has been weakened.

Just days after showing this first map, I received a subpoena from the Office of the Inspector General of HUD asking for extensive data and records from Hamilton. Suddenly, the loan sales and Hamilton were under investigation. The HUD IG’s actions were doubly surprising given their intimate involvement in and positive feedback about the loan sales program and because a HUD OIG audit team had just finished an audit of the loan sales program and had informed our project manager and HUD that our performance was excellent and there were no problems whatsoever.

At the same time, we got calls from a team of reporters from US News & World Report. They had been assured “at the highest levels” of the HUD Inspector General’s office that we were guilty of criminal action and that I and would soon be indicted. The recent favorable audit disappeared. Investigators started doing interviews where they did more seed planting than information gathering.

The "investigators" at HUD started suggesting to reporters that bid rigging had occurred in the loan sales. This was just after members of the HUD IG audit team had actually sat in on one sale, and concluded that bid rigging was impossible. They had also concluded that there was no way that "rigging" could have taken place because in a sealed-bid auction, you cannot favor one bidder when all bidders have access to the same information. That audit report was suppressed while the IG investigators pushed the exact opposite notion to reporters.

On August 10, Bob Dole announced Jack Kemp as his running mate.} NOTE: Jack Kemp is also a graduate of Pauley's Occidental College, where Kemp played football before joining the Buffalo Bills professional team.

(10) http://sunsite.berkeley.edu/uchistory/general_history/overview/regents/biographies_p.html and http://www.tenc.net/articles/randy/swas5.htm

(11) http://www.flyingtigerline.org/Memoriam/Prescott_Robt.htm

and http://www.flyingtigerline.org/History/1940s.htm

At the end of WWII private businessmen, who had always handled syndicate espionage and enforcement activities prior to the creation of OSS and CIA, found it easier to have the government pay for these costs rather than be forced to find clients to bill to or to have to account for the funds. A method was developed to finance the expenses of these government-sponsored activities through a special off-the-books accounting system. The cash cow had been discovered in 1937 in the western mountains of China by Claire Lee Chennault, who had been recruited as a civilian instructor and adviser for the Chinese Air Force. Chiang Kai-shek hired 100 pilots and 200 technical support staff and purchased 100 Curtiss fighter planes. These recruits were American Volunteer Pilots (AVP), who were not in the American armed forces. Once the United States entered the war, Chennault was brought back into the Army Air Force and given command of the AVP. Chennault's airline was linked to the OSS. Once Japan surrendered and the CIA had been created by 1949, Mao Tse-tung had occupied most of China. Chennault's pilots -- many of them veterans of the AVG and the 14th Air Force -- moved Chiang's troops, supplies, and government assets from one imperiled city to another, and finally to a last fortress on the island of Taiwan. The CIA loaned money to keep the airline in business, and eventually it bought out Chennault's company.

http://www.danford.net/clc.htm

Chiang's Nationalist Chinese (Kuomintang, or KMT) government collapsed in 1949. Truman became convinced that it had to stem "the southward flow of communism" into Southeast Asia. In 1950 the Defense Department gave military support to the French who had colonial interests to protect in Indochina. The CIA used men from the defeated Kuomintang army to invade southern China. The KMT army failed in its military operations, the rebels gained a monopoly over the Burmese Shan States' opium trade. In early 1951, C-46 and C-47 transport aircraft made parachute drops to KMT forces, allowing them to continue the war. Unmarked C-47s were seen making air drops in the training areas. Late in 1951 the KMT reopened an old World War II landing strip to handle large two- and four-engine aircraft flying in directly from Taiwan or Bangkok. A few months later Civil Air Transport (CAT), later called Air America, conducted an airlift, which flew seven hundred regular KMT soldiers from Taiwan to Mong Hsat. The C-47s began a regular shuttle service, with two flights a week direct from Taiwan. A mysterious Bangkok-based American company named Sea Supply Corporation began forwarding enormous quantities of U.S. arms to Mong Hsat.

The KMT had concentrated their forces in a long, narrow strip of territory parallel to the China border. Since Yunnan's illicit opium production continued until about 1955, the KMT were in a position to monopolize almost all of the province's smuggled exports. Almost all the KMT opium was sent south to Thailand, either by mule train or aircraft. Soon after their arrival in Burma, the KMT formed a mountain transport unit, recruiting local mule drivers and their animals. Since most of their munitions and supplies were hauled overland from Thailand, the KMT mule caravans found it convenient to haul opium on the outgoing trip from Mong Hsat and soon developed a regular caravan trade with Thailand. Burmese military sources claimed that much of the KMT opium was flown from Mong Hsat in "unmarked" C-47s flying to Thailand and Taiwan. Not only did the KMT continue to demand opium from the tribes, but they upgraded their role in the narcotics trade as well. When the Burmese army captured their camp at Wanton in May 1959, they discovered three morphine base refineries operating near a usable airstrip. At first glance the history of the KMT's involvement in the Burmese opium trade seems to be just another case of a CIA client taking advantage of the agency's political protection to enrich itself from the narcotics trade. But upon closer examination, the CIA appears to be much more seriously compromised in this affair. The CIA fostered the growth of the Yunnan Province AntiCommunist National Salvation Army in the borderlands of northeastern Burma potentially rich opium-growing region. There is no question of CIA ignorance or naiveté, for as early as 1952 The New York Times and other major American newspapers published detailed accounts of the KMT's role in the narcotics trade.
http://www.drugtext.org/books/McCoy/book/29.htm

From Mike Ruppert newsletter, FROM THE WILDERNESS:

In Chapter Six of The War Conspiracy, entitled "Opium, the China Lobby, and the CIA," author Peter Dale Scott traces the connections between drug trafficking in Southeast Asia and American intelligence operations. There are detailed references to C.V. Starr and connections with some figures, like CIA veteran Paul Helliwell, who have been irrevocably and blatantly tied to the drug trade. Those connections also lead directly into the so-called "China Lobby" and firms identified as either CIA proprietaries or "affiliates" such as Sea Supply, Inc. (run by Helliwell), Civil Air Transport (CAT), a CIA proprietary, Civil Air Transport Co., Ltd. (CATCL) -- a separate firm not owned by but affiliated with the CIA through CAT-- and Air America, an evolution of Civil Air Transport. In 1957 the Airdale Corporation which owned 100 per cent of Air America changed its name to Pacific Corp. In 1976 CIA General Counsel Lawrence Houston testified before the Senate's Church Committee looking into intelligence abuses about CIA Air operations. When asked what the one single holding company, above all others, was at the top of CIA proprietary and contract air operations, he identified Pacific Corporation. According to published reports, Houston also testified that the CIA also had interests in investment and insurance companies.

Pacific Corp -- which one source has told me is currently insured by AIG -- and the CIA have, in the 1990s, been connected with the "laundering" of some 28 C-130 military transport aircraft into the hands of private, forest fire, air tanker contractors in the U.S. Subsequently, many of those C-130s turned up all over the world. Some were directly involved in drug trafficking and one in particular, operated by Aero-Postale de Mexico, was seized with a billion dollars in cocaine aboard in Mexico City in 1996. [See FTW, Vol I, No 10 - Dec, 1998]

A key figure in the post-war operations was lawyer Tommy Corcoran, a legendary "fixer" in the Roosevelt Administration, who went on to represent Nationalist Chinese financial interests after the Communists took power in 1949. Corcoran and Helliwell worked closely together in Asia. One of the critical and well-documented U.S. responses to the Communist takeover was to fund remnants of the Chinese Nationalist army -- who had fled into Burma, Thailand and Laos -- with opium.

Much of that money, along with the drugs, found its way into the U.S. As noted by writers like the late Jonathan Kwitny of The Wall Street Journal in The Crimes of Patriots (Penguin, 1987) and by Professor Alfred McCoy of the University of Wisconsin in The Politics of Heroin (1972, 1991, Lawrence Hill Books), Helliwell paid the troops using five-pound "sticky" bars of heroin. Helliwell later went on to head Castle Bank and Trust in the Bahamas from his Florida law office and then was heavily involved with The Nugan Hand Bank in Australia and the U.S. Both banks have been heavily linked in official investigations to both drug trafficking and money laundering while also moving money for the CIA.

In The War Conspiracy Scott writes:
"For it is a striking fact that the law firm of Tommy Corcoran, the Washington lawyer for CATCL and [China Lobbyist] T.V. Soong, had its own links to the interlocking worlds of the China Lobby and of organized crime. His partner W.S. Youngman joined the board of U.S. Life and other insurance companies, controlled by C.V. Starr (OSS China) with the help of Philippine and other Asian capital. Youngman's fellow-directors of Starr's companies have included John S. Woodbridge of Pan Am, Francis F. Randolph of J. and W. Seligman, W. Palmer Dixon of Loeb Rhoades, Charles Edison of the postwar China Lobby, and Alfred B. Jones of the Nationalist Chinese government's registered agency, the Universal Trading Corporation. The [Senate] McClellan Committee heard that in 1950 U.S. Life [later part of AIG] (with Edison as a director) and a much smaller company (Union Casualty of New York) were allotted a major Teamsters insurance contract, after a lower bid from a larger and safer company had been rejected, [Jimmy] Hoffa was accused by a fellow trustee, testifying under oath before another committee, of intervening on behalf of US Life and Union Casualty, whose agents were Hoffa's close business associates Paul and Allen Dorfman…

"We find the same network linking CIA proprietaries, war lobbies, and organized crime, when we turn our attention from CAT to the other identified supporter of opium activities, Sea Supply, Inc. Sea Supply, Inc. was

organized in Miami, Florida, where its counsel, Paul E. Helliwell, doubled after 1951 as the counsel for C.V. Starr insurance interests, and also as the Thai consul in Miami..."

The historical connections to CIA covert or proprietary air operations are interesting in light of the fact that AIG proudly announces in its 2000 annual report that with 494 full-sized jets -- 89 of which it manages itself -- it owns "the world's most modern fleet of aircraft." AIG customers include major airlines and a number of air transport companies. AIG also reported that in 2000 it leased additional aircraft "to a number of established customers" in South America.

CIA proprietary ownership or interest in companies is very difficult to detect. But, it has been proven by writers like Scott and many other researchers who combed through the paperwork that surfaced during the Iran-Contra scandals of the 1980s, where Air America assets were laundered into companies like Southern Air Transport and Evergreen Air. The single largest stockholder in AIG, the Starr International Company (SICO), holds 13.62% of AIG stock. Aside from knowing that Maurice Greenberg owns 21.86% of SICO (Source, SEC) we may never be able to find out who, or what, owns the rest.
http://www.bushufodisclosure.org/doc/truthcasualties2.html.

See also http://www.utdallas.edu/library/special/ciaguide.html In minutes of Air America Stockholders meeting, it was announced that all of the issued and outstanding stock of Air America is owned by the Pacific Corporation, and as President of the Pacific Corporation, 1961 George Doole was authorized to vote the shares of stock held by that company in Air America. Trust agreement between Air America, Inc. as employer and Manufacturers Hanover Trust Company, as trustee implementing the provisions of the Air America Retirement Plan 1962. 1) Partnership Agreement between Claire Lee Chennault 1947 and Whiting Willauer.

(12) http://www.grandprix.com/gpe/fue-007.html

(13) (1) Charles Collins Teague, for example, was associated with Limoneria, a Ventura citrus operation founded in 1893; California Orchard Company, founded in 1919, which leased farmland to growers for vegetable row crop production in Southern Monterey County; and Fruit Growers Supply Co., the supply arm of Sunkist Growers--several large farming conglomerates reminiscent of the experimental agricultural project mentioned in Part Two-B. (2) Amadeo Peter Giannini, of Bank of America and TransAmerica (3) James Kennedy Moffitt, Crocker First National Bank of San Francisco (4) George Urwin Hind, partner in shipping and commission business with James Rolph, Jr., who founded Mission Bank, Mission Savings Bank, and the Rolph Shipbuilding Company (5) Edward Hellman Heller, Wells Fargo Bank and Union Trust Co. (6) Earl Warren, named Chief Justice of the Supreme Court in 1953 (7) Arthur James McFadden, The Irvine Co., California Fruit Exchange, Trustee, vice-pres., Pomona College (8) Edward W. Carter (1952-88), president of Broadway-Hale Stores, Inc., 1946-; director of Northrop Corp., Pacific Telephone and Telegraph Co., So. Cal. Edison Co., United Cal. Bank, Western Bancorporation. Trustee: Occidental College; Stanford Research Institute; Brookings Institute, Washington, D.C. (9) Samuel B. Mosher (1956-72), chairman of board, chief executive officer, Signal Oil and Gas Co., 1922-; chmn. of bd., Flying Tiger Line, Inc. Dir., Petroleum Industry War Council during World War II. Past dir., American Petroleum Institute. Hon. life trustee, Occidental Coll. Assoc., U.S.C. (10) Catherine C. (Mrs. Randolph A.) Hearst (1956-74) and (11) John E. Canaday (1958-74), vice-pres., Lockheed Aircraft Corp., 1939-. Dir.: First Surety Corp., Surety Savings and Loan Assn, (12) ELINOR HELLER, Democratic National Committee, World Affairs Council of Northern California, widow of Edward Heller, who was a director of Wells Fargo Bank, Permanente Cement, and Pacific Intermountain Express.
http://sunsite.berkeley.edu:2020/dynaweb/teiproj/fsm/pams/brk00038828a/@Generic__BookTextView/89

(14)
http://www.trumanlibrary.org/whistlestop/study_collections/un/large/allied_reparations/allied_reparations7-1.htm http://www.saudinf.com/main/d199.htm and http://home.austin.rr.com/anthonywier/meoil.htm

It should be mentioned at this point that another man named Davies was also very significant during this time period, though whether a blood relationship existed is unknown. This was Fred A. Davies, a metallurgist and oil geologist who worked for the Bahrain Petroleum Co (Bapco) and Casoc/Aramco, of which he was vice-president and president from 1940-52, and thereafter chairman.

(15) Excerpts from Handbook for American Employees, Volume 1, 1952, as issued by Arabian American Oil Company. Prepared by Roy Lebkicher; at http://almashriq.hiof.no/lebanon/300/380/388/tapline/general/

Wallace Stegner's Discovery! The Search for Arabian Oil, Export Book, Beirut 1971--the story of Aramco from 1993 until the end of the Second World War, excerpts of pages 175-178 at

http://almashriq.hiof.no/lebanon/300/380/388/tapline/general/stegner.html

Also see government archives at http://www.cato.org/pubs/pas/pa-159.html

http://mai.flora.org/forum/35348

http://history.sandiego.edu/gen/classes/diplo177/oil.html

(16) For a great map of the area and brief synopsis of history of the British venture in Anglo-Persian oil concessions, see http://www.hermes-press.com/oilrulers1.htm A map of Saudi Arabia and discussion can be found at

http://www.arabiancareers.com/saudi.html

http://www.angelfire.com/wy/aramco/Aramco.html and http://www.unc.edu/depts/pfn/machtinger.pdf

(17)
http://www.trumanlibrary.org/whistlestop/study_collections/un/large/allied_reparations/allied_reparations10-1.htm From the Papers of Harry S. Truman, Official File. See the list of office buildings constructed after the war in the same vicinity of 530 W. 6th-- http://www.losangelesalmanac.com/topics/Structure/st01.htm

(18)
http://www.trumanlibrary.org/whistlestop/study_collections/un/large/allied_reparations/allied_reparations5-1.htm -- Series of letters, spanning May 2, 1946-May 18, 1946, among President Harry S. Truman and key economic officials in his administration, regarding Truman's May 2 request that the activities of Edwin Pauley, a U.S. representative on the United Nations Allied Reparations Commission, be coordinated with the international economic activities of a variety of federal agencies. Also included is a May 9, 1945 letter from Ashland Oil & Refining Co. Chairman Paul G. Blazer acceding to Truman's request that company president Howard Marshall serve on Pauley's staff. >From the Papers of Harry S. Truman, Official File. J. Howard Marshall, President of Ashland, in Kentucky.

(19) http://www.state.gov/www/regions/eur/nato_fs_chron.html and http://www.state.gov/www/about_state/history/intel/intro2.html.

See http://www.ushmm.org/uia-cgi/uia_doc/art/x10-11?hr=null

(20) The following statement is taken from (U.S. government report on Nazi looting dated May 7, 1998 http://www.usembassy-israel.org.il/publish/report/) and gives an idea of what Pauley was dealing with at the time: "In dealing with the gold found in Germany after the war, the Allies had to determine what proportions were "monetary gold" and what were non-monetary gold. By 1948, the U.S. Army and other occupation forces had collected nearly $300 million in gold bullion and gold coins. Although the overwhelming portion of this

was monetary gold, including gold looted from other central banks, evidence examined for the report shows that at least some of this gold included gold stripped from Jews and other persecutees. Gold taken, for instance, from concentration camp victims was systematically smelted by Germany's Reichsbank into gold ingots, which were indistinguishable from other gold bullion and were incorporated into the Reichsbank's monetary gold reserve. "

Gold which was determined to be redistributed to the Allies was dealt with by The Tripartite Gold Commission (TGC). By July 1948, a total of about 306,343 kg (kilograms) of gold in bars and coins had been deposited with the Federal Reserve Bank of New York or the Bank of England or was held at the Foreign Exchange Depository in Frankfurt by the Office of the Military Government, U.S. By December 1974, the grand total available for restitution was 336,890kg (about $4.1 billion at today's prices). This topic brings up the role of the Exchange Stabilization Fund, the noted expert on which is James Turk (http://www.gata.org/esf_gold.html). The ESF falls under the control of the U.S. Treasury. (The history of this function can be read in a report found at http://www.ess.uwe.ac.uk/documents/asetindx.htm). The ESF was created as part of the Gold Reserve Act of 1934. ESF operations are conducted through the Federal Reserve Bank of New York in its capacity as fiscal agent for the Treasury. http://www.ny.frb.org/pihome/fedpoint/fed14.html The Exchange Stabilization Fund controlled by the US Treasury, and essentially unaccountable to Congress or the American people, appears to be a key instrument for intervention. It appears that US gold reserves have been swapped or in some way encumbered. http://www.usagold.com/gildedopinion/HathawayTheater.html

During the first days of the Potsdam Conference, which lasted from July 16 to August 1, Presidential Adviser on Reparations Edwin Pauley and Assistant Secretary of State for Economic Affairs William Clayton led the U.S. delegation to introduce a proposal that the United States, the United Kingdom, Soviet Union, and France would declare external German assets to come under the control of the Allied Control Council in Germany. Delegation members Seymour Rubin, Acting Chief of the Office of Financial and Development Policy (OFD) of the State Department, and Josiah E. DuBois, Jr., an Assistant to the Secretary of the Treasury, drafted the U.S. working papers on such a declaration. http://www.ess.uwe.ac.uk/documents/three.htm

In a note to the U.S. Legation in Bern, dated July 2, 1946, the Swiss stated that they could not proceed with the liquidation of German assets until the Allies fixed a "fair" rate of exchange between the Reichsmark and the Swiss franc....At the September 12 meeting of the Joint Commission, the Allied members contested the Swiss contention that establishment of a Swiss franc-Reichsmark exchange rate was a precondition to liquidation of German assets. The French representative presumably acknowledged that the actual text of the treaty called for liquidation without prior establishment of an exchange rate, and made no reference to a "gentlemen's agreement." Throughout this period, the Swiss refused to act on liquidation, pointing to the lack of agreement on the exchange rate as justification for their non-performance....The Swiss eventually backed down, and in early May informed the British Foreign Office that they could accept the Bank of England's technical assessment of the proper rate (which was also the rate acceptable to the U.S. Federal Reserve). By June 1947 the Federal Reserve confirmed that the Swiss had deposited the amount of gold necessary to carry out its obligations under the Washington Accord--a transfer of gold bars from the Swiss account in the Federal Reserve Bank to the Tripartite Gold Commission account. All the bars were of pre-war origin....During June and July State Department officials worked out a compromise solution that was presented to the Swiss in early August. The solution involved retaining the validity of the May 1946 Accord with respect to East German property while the new agreement of 1952 would apply only to the area of the Federal Republic and West Berlin. The compromise allowed the Allies and the Swiss to sign an agreement on the liquidation of German property in Switzerland on August 28, 1952, in Bern. This followed the signing of the German-Swiss agreement of August 26, 1952. Indeed, there were three major agreements involved among the three Allies and Switzerland and Germany and Switzerland....August 26, 1952, German Settlement of Reich's Wartime Debts to the Swiss. In this agreement, Switzerland agreed to renounce its claim to a payment under the May 1946 Washington Accord, so long as the Germans agreed to recognize the Reich's wartime debt, which had reached 1.2 billion Swiss francs exclusive of interest payments. The Germans agreed to pay not more than 650 million Swiss francs as

settlement of this debt and begin making specified installment payments on April 1, 1953.
http://www.ess.uwe.ac.uk/documents/six.htm

In April 1945 U.S troops in Germany found 2,007 containers filled with German Reichsbank gold, foreign currency, and other valuables hidden in a Thüringian mine. Treasury Department official Frank Coe informed Secretary Morgenthau about gold caches that U.S. troops had stumbled upon in German salt mines. Coe indicated that the occupation forces should not look at this captured gold as "war booty." Instead, this bullion should be placed in a reparations fund until final plans were drafted to dispose of it. The discovery of the German gold reserve at the Merkers mine was accidental, but singularly significant because of the quantity of material that was found and because it became the catalyst for the Army to seek and find additional assets hidden elsewhere in Germany. ...The problem of determining exactly what Nazi monetary assets were under Army control was complicated after the Merkers material arrived at the Foreign Exchange Depository (FED), which the Army established at the Frankfurt Reichsbank. In the closing days of the war, additional gold was recovered from all parts of Germany--sometimes from banks, sometimes from businesses or individuals, sometimes from soldiers or U.S. Army units. Over a 30-month period, this comprised 91 different "shipments" from a wide variety of locations. All this gold was shipped to Frankfurt, along with other captured assets. It seems that the intent always was to centralize these assets at one site for ease of security, accountability, and disposition. By August 1945, the FED was overloaded, and shipments were suspended temporarily while cultural properties and related non-monetary materials were transferred to other sites in southern and central Germany. The FED resumed receiving captured monetary assets later in August, but not until November 1945 was the FED officially tasked by the 12th Army Group to serve as the central repository for all captured "gold and silver bullion and coin, foreign currencies, foreign securities, precious stones or jewels, jewelry, gold teeth, and other similar valuables." The Foreign Exchange Depository was frequently referred to as the "Fort Knox of Germany," but it might be more accurate to characterize it as the "Bank of Europe." The captured German and Nazi assets were only a part of the FED's total operation. It was also responsible for all currency transactions in Germany, receipt for all restricted property (Laws 52 and 53), and funding for all U.S. military activities in Germany, and it seems to have served as the "banker" for several Allied countries as well. The first chief of the Foreign Exchange Depository was Colonel Bernard Bernstein, a lawyer by education and experience. Colonel Bernstein had served as an attorney with the U.S. Treasury Department from 1933 to 1942, when he resigned his position and went on active duty in the Army in the Coast Artillery Corps. In 1945 he served as the Chief of Finance in the G-5 Division of Supreme Headquarters, Allied Expeditionary Force (SHAEF), where he was able to influence and direct the policies that established the FED and the Army's control over all captured assets. Bernstein returned to private law practice in 1946. Colonel Bernstein was assisted by a small group of company grade officers, none of whom seem to have come from the Finance Corps. In fact, most of the officers came from the infantry and cavalry, and a few were from the Regular Army. Personnel turnover, particularly in 1945, was a persistent problem in the FED (at its peak, it seems to have employed about 150 personnel). From the initial discovery of the Merkers cache to the final disposition of the remaining assets held by the FED in 1950, two issues dominated everything that happened at the former Reichsbank building in Frankfurt: maintaining security of the assets and compiling a complete inventory of everything that the Army was securing there. The reports, memoranda, message traffic, and other documents that discuss these activities comprise a large portion of the archival records....The first team of experts, comprised of two officials from the Bank of England and three from the Treasury Department, arrived in June 1945....During an official visit to Washington in June 1946, Hungarian Prime Minister Ferenc Nagy called upon Secretary of State James Byrnes and Acting Secretary Dean Acheson and formally requested the return of the Hungarian gold reserve of $32 million found in the U.S. Zone of Occupation. Secretary Byrnes, just before his return to Paris for the Paris Peace Conference, initially proposed returning only a portion of this reserve and retaining a portion to satisfy claims of Americans against Hungary. Acting Secretary Acheson on June 15 determined that the United States would return the Hungarian gold reserve held in custody in the U.S. Zone of Germany in order to stabilize the Hungarian monetary system and economy, provided the Hungarian Government assured that it would return any part of the reserve subsequently determined to be looted. An official American train carried the Hungarian monetary gold from Frankfurt to Budapest on August 6, 1946, where it was received ceremoniously by Prime Minister Nagy. ...The Tripartite Gold Commission directed the last major release of monetary gold through two contracts with

Pan American Airways, which served as the principal carrier. The first flights delivered "approximately 58,705.5410 kilogrammes of monetary gold coins," and the remaining flights delivered "approximately 74,498.64262 kilogrammes of monetary gold coins and/or bars" to the Bank of England in London. ...After December 1950 the Foreign Exchange Depository ceased to exist.
http://www.ess.uwe.ac.uk/documents/eight.htm

The Bank for International Settlements (BIS) is an organization of central banks with headquarters in Basel, Switzerland. The BIS was formed in 1930 to coordinate Germany's World War I reparations payments to various nations. ...The BIS's statutes provided for U.S. representation on the Board of Governors, but the U.S. Federal Reserve Bank did not choose to do that until 1994....The President of the BIS, American Thomas McKittrick, was re-elected in 1942 with German acquiescence. In February 1941, Paul Hechler, a German banker serving as the BIS General Director, explained to the U.S. Treasury representative in Berlin that the officers of the bank were determined to keep it alive as a center of future international financial cooperation and were unanimously agreed on the necessity of keeping McKittrick in office in order to maintain a link with the United States. ...In summer 1941, Fortune magazine warned that Germany, by picking up shares from French, Belgian, Netherlands, Norwegian, and other holders, had gained control over the BIS. This charge was denied by McKittrick. ...As early as 1942 the Treasury Department suspected the BIS of shifting assets to neutral countries in order to "escape and defeat the foreign funds control" of the U.S. Government and of being controlled by the Axis.   http://www.ess.uwe.ac.uk/documents/eleven.htm

For information on the ESF, see a particularly useful history at
http://www.iie.com/publications/files/chapters_preview/43/3iie2717.pdf

(21) (http://www.padrak.com/alt/BUSHBOOK_3.html from Harry Hurt III, "George Bush, Plucky Lad," Texas Monthly, June, 1983).

(22) (An interesting research project would be to examine the archived papers of Holland McCombs, a Dallas reporter, housed at the Paul Meek Library of the University of Tennessee at Martin. (See
http://www.fas.org/sgp/advisory/arrb98/part10.htm and
http://www.utm.edu/departments/acadpro/library/departments/special_collections/manus/mccomb/ser09.htm
and
http://www.utm.edu/departments/acadpro/library/departments/special_collections/manus/mccomb/1_9_170.htm
)

(23)   The Point IV Program was introduced by Truman in 1949, and is mentioned repeatedly in Gerard Colby's book, THY WILL BE DONE, The Conquest of the Amazon: Nelson Rockefeller and Evangelism in the Age of Oil. Colby indicates at p. 286 that Nelson Rockefeller, who had long concentrated his development efforts in South America, was the chairman of Point IV's International Development Advisory Board. Colby states: "Investments, financed by foreign loans and local capital, should be made in building roads into the coastal interior and the highlands to reach resources and serve commercial interests. A food industry should be developed to help replace the Indians' subsistence farming with a distribution system that was more appropriate to wage labor. All these projects would be implemented by Point IV technicians who came on the heels of Galo Plaza's triumphant June 1951 visit to Washington....with its grand finale at the Rockefellers' Pocantico Hills estate....The initial bills and the longer-term bonded debt with Chase and other New York banks would be underwritten, of course, by the banana boom inspired by United Fruit's massive purchases."

Vice President Henry A. Wallace, who was a member of FDR's secret "war cabinet," chaired the Economic Defense Board, the Supply Priorities and Allocations Board, and the Board of Economic Warfare. Divided into an Office of Imports, Office of Exports, and Office of War Analysis, the Board of Economic Warfare (BEW) supported the Allied war effort through procurement of strategic resources. Wallace attempted to force negotiated contracts to provide for socially beneficial improvements to the Latin American infrastructure, with the United States funding half the cost of these programs. On July 15, 1943, Roosevelt dissolved the BEW and

reconstituted its function under a new Foreign Economic Administration. http://www.senate.gov/learning/stat_vp33.html The BEW also for a time had the job of advising the State Department on Lend-Lease negotiations. The Board included the chairman of the War Production Board and the Lend-Lease Administration. It seems, more than anything, to have been an attempt to funnel taxpayer funds into the infrastructure created by the Rockefeller Foundation hierarchy and under its control. For example, Roosevelt had created the Office of the Coordinator of Inter-American Affairs (CIAA), headed by Nelson Rockefeller. The Assistant Coordinator John McClintock helped United Fruit run its South American plantations after the war, often cooperating with the CIA. Paul Nitze served as director of the financial division of the CIAA and represented Rockefeller on the Board of Economic Warfare. That experience enabled Nitze (banker at Dillon, Read & Company) to move on to the Departments of War and State with a basic knowledge of metals and armaments. It should also be noted that Nitze was the brother-in-law of Walter Paepcke, who created the Aspen Institute with Paul Nitze's assistance.

(24) http://www.mindscience.org/about.html and
http://www.noetic.org/Ions/publications/review_archives/frontiers_of_research/frontieirs_45_36.htm

(25) http://www.tsha.utexas.edu/handbook/online/articles/view/II/coi1.html and
http://museum.lamarpa.edu/ThomasHicks.html

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FOLLOW THE YELLOW BRICK ROAD: FROM HARVARD TO ENRON

PART FOUR

by Linda Minor © 2002

Part Three showed us how America got into the oil business with Saudi Arabia. Edwin Pauley was a spy within the White House, acting as a funnel for campaign funds going to FDR, while at the same time gathering and transmitting information about oil policy and captured Nazi and Japanese assets back to his California business associates. Pauley's importance comes from his role in the 1950's when, with an oil concession from Mexico, he worked with Howard Hughes and George Bush, allegedly exploring for oil in the Gulf of Mexico. Pauley taught Bush how to launder money through corporate subsidiaries to be used for political payoffs as well as in financing of campaigns. Both Pauley and Bush used this system to finance Richard Nixon's presidential campaigns, and it was this laundering scheme which was discovered after the 1972 election, when a check drawn on a Mexican bank account of a subsidiary of a Houston corporation controlled by Bush's friends appeared in the Miami bank account of a Watergate plumber. The Nixon tapes revealed that the financing scheme could blow the lid of the "whole Bay of Pigs Thing."

Thus, it is important to study Pauley to learn how the money works in politics. It is also important to find out, if possible, where the assets of Pauley Petroleum ended up, as well as to learn what happened to Zapata assets -- because these companies were used by the intelligence group to which the two men owed their loyalty. We know from Part One that Pug Winokur, working under the cover of David Murdock's Pacific Holdings, was involved in distributing the Zapata assets, or the proceeds thereof, to Bush's fellow shareholders, who had elected a board of directors with long-term connections to Shell Oil, AtlanticRichfield (Arco); Apco Argentina, a subsidiary at that time of Transco Pipeline (now the Williams Companies); General Signal Corp. (in which Pauley's friend Sam Mosher was involved), First City Bank of Houston, which was then involved in several joint ventures with N.M. Rothschild bank in London; S. Pearson and Sons, a London-based exploration company through its North American subsidiary, Midhurst; Camco, Inc., a Canadian appliance company controlled by Canadian General Election, in which Queen Elizabeth had the largest block of stock.

In Part Three we also discovered that after Pauley's death, his petroleum company, whose primary asset was a concession to drill in Colombia, was acquired first by Hondo Oil and Gas, a company owned by Robert O. Anderson and his sons. Anderson had operated AtlanticRichfield since 1969 and set up Hondo after his retirement. Hondo borrowed massive amounts of money from Lonrho (formerly the London and Rhodesian Mining Company and never repaid the loans, which were secured by stock options, resulting in Lonrho's acquiring title to all the Hondo stock. The story in Roswell, N.M., Anderson's home, was that "Hondo, founded by Anderson in 1986, was unsuccessful in a South America venture. A well drilled in the mountains of Colombia failed to produce as expected, and Hondo's stock price declined to about 3 cents per share just before the buy-out." (Click.). (1)

What Lonrho Represents

Although Lonrho had been managed by Tiny Rowland since 1961, the chairman was Duncan Sandys (Lord Duncan Duncan-Sandys), who had not only been married to Winston Churchill's daughter, before she left him and later committed suicide, but also served as Secretary of State for Commonwealth Relations and Secretary of State for the Colonies. The other members of the board have included such notables as (1) Sir George Bolton, who served on the board of the Bank of England for twenty years, as well as having been a board member of the Bank of International Settlements; (2) Sir Edward du Cann, an M.P for 32 years and chairman of Keyser Ullmann, a London merchant bank; (3) Nicholas Elliot, a senior department head in MI6 (see Click.); (4) Maj. Gen. Sir Edward L. Spears, chairman of Ashanti Goldfields of Ghana in 1967, when Lonrho took it over; (5) Sir Peter Youens, an Oxford graduate, member of the Colonial Administrative Service in Africa before becoming Secretary to Prime Minister Banda when Nyasaland became the independent country of Malawi; and (6) Alan Ball, son of Sir Joseph Ball, a former member of M15 and deputy chair of the secret spy-hunting Home Defence (Security) Executive during World War II. (Click.)

In the same era that former African colonies of Great Britain were gaining independence, riots in urban Black communities were occurring in the United States. Fear of a takeover by blacks was rampant in conservative governments in both countries during that time. South Africa became an independent country in 1961 and Rhodesia (now Zimbabwe) in 1965, at the same time that MI6, formerly known as SIS, took on a greater role in ensuring that British investments there would be protected. (Click.) It has been suggested that Tiny Rowland was brought to Lonrho and used as a tool of intelligence operations to suppress Black-African uprisings against the white minority. (Click.) This same racist fear was vented in 1985 when Tiny Rowland, while still manager of Lonrho and at the same time acting as owner of The Observer, attempted to prevent Mohamed Al-Fayed from acquiring Harrods department stores. (2)

For years Anglo-American Corp. has been a large shareholder of Lonrho. Anglo-American was founded by Cecil Rhodes and operated since his death by the Oppenheimer family. (3) Rhodes left his shares in trust to set up the Rhodes scholarship fund at Oxford. After his death, the fund was managed by Lord Alfred Milner, who set up the Round Table group to administer the trust based on the ideas of Fabian socialism. In the 1920s Lord Milner also was chairman of Rio Tinto Zinc (RTZ), the world's second largest raw materials producing

company. Another large shareholder of Lonrho was the British South Africa Company--a trading company founded by Cecil Rhodes and incorporated by royal charter in 1889. In the 1930s this chartered company hired an American to be its president--Thomas Ellis Robins, the son of Major Robert P. and Mary la Roche Ellis Robins, who was born in 1884 in Pennsylvania, a graduate of the University of Pennsylvania and a Rhodes Scholar from 1904 -1907 to Christ Church, Oxford--the first Rhodes Scholar from Pennsylvania. He was also a director of Barclays Bank, African Explosives and Chemical Industries, Anglo-American Corporation of South Africa, Wankie Colliery Co., Premier Portland Cement (Rhodesia), De Beers Consolidated mines, Union Corporation, Rhodesia and Nyasaland Airways, and he was a Trustee of the Rhodes-Livingstone Museum. He became a British citizen in 1912, having married Mary Wroughton from Berkshire that year. In 1946 he was Knighted. He also became a Knight of the British Empire in 1954. In 1958 he was made a Baron, which gave him the title of Lord Ellis Robins, 1st Baron of Rhodesia and of Chelsea. (Click.)

RTZ was formed in the 1870s by China opium trader Hugh Matheson, who was a principal in the Hongkong-based firm Jardine Matheson. The Rothschilds have a significant stake in the company, and Queen Elizabeth II is a significant investor, according to Charles Higham's biography of the Queen. Anglo American and RTZ combined control a stunning percentage of the Western world's most important precious minerals.

Lonrho, which recently changed its name to Lonmin, owned a third of Ashanti Goldfields stock. Rowland lost control of Lonrho in 1993 to German businessman Dieter Bock, who four years later left Lonrho to become President of TrizecHahn Europe and Vice Chairman and a Director of TrizecHahn Corporation. (Click.). Bock traded five UK and German real property projects to TrizecHahn, North America's second largest public property company, in exchange for 4% of TrizecHahn stock. TrizecHahn also owns 16.7% of Barrick Gold, the world's second largest gold producer. Barrick was controlled by Peter Munk, who was set up as chairman, he claimed, by Adnan Khashoggi who owned the company stock.(4) Until recently the entire section of office buildings in downtown Houston where Enron and Halliburton (through its subsidiary, Dresser Industries) leased space was owned by TrizecHahn. The acquisition of this real estate was accomplished in a manner similar to the way Lonrho acquired Hondo--debentures, secured by stock options, not repaid. Munk had merged his company with Trizec, a company created by William Zeckendorf and a syndicate composed of Hill Erlanger of Boston and a branch of the Canadian Bronfman family. Much more about this real estate method of money-laundering will be in the next segment to air later in the summer.

But what we are finding out is that the assets of both Zapata and Pauley Petroleum ended up in the hands of British and Canadian companies, whose shareholders include British aristocrats and the royal family, who are carrying on the looting of what was one a colonial empire. It is interesting to note in this connection that Lonrho (now Lonmin) has its headquarters at 4 Grosvenor Place in London, across the street from Buckingham Palace. Before its demise, Enron had its London headquarters at 40 Grosvenor, at the other end of the block from Lonrho, but still just across the street from the Palace. This real estate in Mayfair was developed by Gerald Cavendish Grosvenor, the Duke of Westminster, who still owns almost all of Mayfair, subject to leases. Enron had 3,000 subsidiary corporations, most of which were based in the Cayman Islands and other British offshore banking territories. The contracts for its online trading transactions provided that they would be performed under the laws of the United Kingdom, even though the location of the company was Houston, Texas. So who really benefited from what happened at Enron? Where did the money go?

Enron must be left for a later segment. We are following Pug Winokur's career, and the goal of this part is to examine the Penn Central Railroad, with which Pug Winokur was involved from 1980 until around 1987, to determine who was involved in that debacle.

ALL ABOARD THE PENNSYLVANIA RAILROAD

Pennsylvania Railroad (PRR), 1962

The merger between the Pennsylvania Railroad and the New York Central Railroad became effective on February 1, 1968. Bankruptcy occurred on June 21, 1970. The build-up to the merger, which had been planned

throughout the 1960s and before, is even more fascinating than the aftermath of the crash. The study of the Penn Central railroad could be lumped into a university history class, changing the name from Post-Civil War American History to "The Arrival and Departure of the Railroad in America." That title would just about cover all the topics conspiracy theorists love to dwell on but do not really understand. A very brief summary is necessary here just to keep the broad outline of our purpose in mind for this series.

Railroads were projects that required the services of investment bankers. After the Civil War, expansion was the watchword in America--moving into and exploring the frontier, developing the resources, farming, mining--which led to the overwhelming need for communication, transportation and distribution. These systems were built using "networks"--which, we will learn, is another word for syndicate. Any project needing money can be drawn as a line beginning at the local area in need of the capital, back to the investment banker, who can be depicted as a circle with a series of lines branching out from his center. These lines connect to the banker's sources of funds for investment. The reason we have such a difficult time understanding history is that most of these sources of funds are secret. The banker tends to promise his clients that he will not reveal their identities to the public, and he accomplishes this goal by use of his friend, the Wall Street lawyer, who drafts legal documents like trust agreements and contracts which remain buried in the lawyer's office, stamped with a big red stamp that reads: "Confidential, subject to attorney-client privilege." As a result, conspiracy theorists talk about the "Morgan Interests," the Rockefellers, the Rothschilds, etc., etc., as though these bankers were using their own money. Be assured, they were not. What they were doing was putting together syndicates of capital, melded together with contracts.

Every project begins in a place--usually a small locality where people live. The people who live there don't have the money to pay for the project at the time it is desired. Often, they don't even know they need the project, but someone with a much more global scope has put some numbers together and decided the demographics warrant the project to be built in this locality. The next step is bringing the money from outside the place where the project is to become reality and then to create a financial framework that will cause the resulting cash flow emanating from the local project to return to the sources of the capital that brought the project into being. The framework for how this system of moving the money around is referred to by investment banker types as "the financial model." Designing a workable model requires not only vision, but also respect for the individual parts that make up the whole. Ending up with a financial model where every component wins, and nobody loses is a very difficult task; usually the will of the capital sources wins out. The only power the localities have been able to wield has been through government action or unions. Seeing this concerted action as detrimental to their interest, wealthy capitalists have devised means of getting around it--such as bribery of officials, funding political campaigns, and limiting labor union effectiveness through control of the workers' pension plans.

If a university history course were designed around teaching Americans about railroads, there would be separate chapters covering various parts of the country where railroads were built. Perhaps the most important chapter would be the story of the Pennsylvania Railroad (PRR) and the New York Central (NYC), which were themselves amalgamations of even shorter lines which had come together under centralized management. Even before John Kennedy took office the Pennsylvania Railroad had been lobbying on behalf of the merger, which JFK did not favor. In fact, he rejected it without too much discussion once he realized that it would result in the loss of a significant number of jobs held by union workers. But Kennedy's opposition did not kill the clamor on behalf of the PRR proposal. They had support from Lyndon Johnson and Richard Nixon, and they played the long odds.

Walter Hubert Annenberg

The largest block of Pennsylvania Railroad stock in 1962 was held by Walter Hubert Annenberg, son of Moses "Moe" Annenberg, who was introduced in Part Two of this series as being connected to the Chicago organization that moved into Los Angeles through Arnold Kirkeby's acquisition of a half-interest in Janss Investment--where Victor Palmieri spent many years of his career. Moe had made sure his son was more

acceptable to elite members of the syndicate, having sent his son to The Peddie School, and later to the Wharton School at the University of Pennsylvania (apparently he didn't acquire an academic degree). Peddie was established in 1864 as a Baptist prep school in Hightstown, N.J., convenient to Princeton, Rutgers and the University of Pennsylvania. It is no surprise that the Annenberg Foundation fails to mention Walter's father's syndicate connections to Meyer Lansky and Lucky Luciano, and simply gives him credit for bringing us those wonderful American publications--Seventeen Magazine and TV Guide--not to mention his early fascination with numerous Philadelphia radio and TV stations in the early days of the expansion of those media, before moving into funding of the communications department at the University of Pennsylvania.

Most of Walter's biography set out at the website for the foundation details various "charitable" works, which you will find to be typical for any foundation funded with dirty money; crime pays in the form of buying prestige for the criminal and his family. Walter's second wife was Leonore Cohn, niece of the Columbia Pictures magnate and former wife of Lewis Rosenstiel of Schenley Distillers. Annenberg also served as a Lt. Commander of the Naval Reserve and owned the Philadelphia Inquirer and Triangle Publications. Walter Annenberg had his primary residence in Wynnewood, Pa., but kept another residence near Palm Springs in Rancho Mirage, California (called "Playground of Presidents"), that included a private golf course. Walter funded the campaigns of several successful presidential candidates, and, as a result, was rewarded with the prize plum--appointment as Ambassador to the Court of St. James in London. (5)

Moe Annenberg had based his daily racing wire service out of Milwaukee, after first gaining power by being the muscle behind William Randolph Hearst's Chicago Examiner circulation war. Annenberg's full partner in ensuring Hearst's success was Al Capone, who had worked with Luciano in New York before going to Chicago. (6) It is clear from a description of how the wire service worked that it was this organization for which Jack Ruby worked during the years before he moved to Dallas. (7)

Howard Butcher III, the University of Pennsylvania and Drexel, Harriman & Ripley

The second largest shareholder of the Pennsy Railroad was Howard Butcher III, a 1923 graduate of the University of Pennsylvania. Butcher's father (Howard, Jr.) had graduated from William Penn Charter School in 1893 and attended University of Pennsylvania for two years. He worked as a bond salesman for ten years before becoming a partner of Butcher and Sherrerd, then a member of the board of governors of the Philadelphia Stock Exchange from 1922-46, for which he served as president 1934-40. He joined the board of governors of the NY Stock Exchange in 1924-29 and 1945-49. During World War I he served overseas with the YMCA and was also a member of the Hospital Board of the University of Pennsylvania. (8)

The Butcher family's life was based around the University of Pennsylvania, whose investments they had long helped manage. In fact, it is not really clear whether the Pennsylvania Railroad shares Butcher was holding in his name were actually his or whether they belonged to the University. Following the Penn Central bankruptcy filing in 1970 a cursory investigation was made to discover whether there had been any wrong-doing involving the sale of shares by Butcher & Sherrerd just prior to the bankruptcy. This less-than-thorough inquiry was performed by the law firm of Drinker, Biddle & Reath, which has also had a longstanding relationship with the university. Another firm involved in the inquiry was then called Drexel, Harriman & Ripley, which handled the university's investment account. The orders to sell the university's Penn Central stock were given by George Connell, who continued with Drexel, Burnham & Lambert after the bank changed its name. Drinker, Biddle also handled litigation that was brought as a class action against outside directors of the Penn Central in the early 1970s. One of the attorneys handling this defense was Raymond K. Denworth, Jr., who was a member of the University Board of Trustees until his death in 1999. (9) It can do no harm in reminding the reader at this point that Michael Milken, a summa cum laude graduate of the University of California at Berkeley, finished his M.B.A. studies at the top of his class at Wharton Business School in 1970 when he began working as a researcher at Philadelphia investment bank Drexel Harriman & Ripley. (10)

Drexel Harriman & Ripley had been founded in Philadelphia by the father of Anthony Joseph Drexel, who formed a connection with J.P. Morgan, as well as one in Paris with Harjes & Co. According to Ron Chernow in his book The House of Morgan, in 1895, Morgan took over all the offices, including Philadelphia, even though the name Drexel remained. In 1940 Morgan's link with Drexel ended, and Morgan sold the name to "some Philadelphia partners." The names of those partners is not known at this time, but it is suspected that the new owners had some connection to the Pennsylvania Railroad. Subsequently, the name was changed to Drexel, Harriman & Ripley, before becoming Drexel Firestone. Burnham & Company acquired the assets of Drexel Firestone in 1973, while owner, I. W. (Tubby) Burnham II, sat on the board of overseers of the Wharton School of the University of Pennsylvania. During the 1970s the board's chairman was Donald T. Regan (who in 1981 became Ronald Reagan's Secretary of the Treasury--a Harvard graduate who served as a Lt. Colonel in the Marine Corps, then spent his career with Merrill Lynch). Also on the Penn University board were Pennsylvania Railroad shareholders Howard Butcher III and McBee Butcher. Burnham sold his Philadelphia investment bank to Baron Pierre Lambert, the Belgian cousin of the Rothschild family and manager of the Banque Bruxelles-Lambert and family mining interests. Family member Jean Lambert married Phyllis Bronfman (while Minda Bronfman married another Rothschild cousin, Baron Alain de Gunzberg). (Click. pdf) and (Click.) and (Click.).

Howard Butcher's partner, Sherrerd, was John J.F. Sherrerd, formerly CFA of Sherrerd & Co., who had previously spent 13 years with Drexel Harriman Ripley, and was a 1952 graduate of Princeton with an M.B.A. from Wharton School of the University of Pennsylvania, 1956. He was also a director of the Brown Investment Advisory-- formed in 1993 as an affiliate of Alex. Brown & Sons--the investment banking company in Baltimore--which merged recently with Deutsche Bank in which the A. Brown subsidiary is now known as "Deutsche Bank Securities Inc." A. Brown had become a part of Bankers Trust in 1997. (11)

The role of the Drexel firm's involvement in the Penn Central fiasco is not surprising, since in the summer of 1969 Drexel, Harriman & Ripley--with legal assistance from Wall Street law firm Shearman & Sterling--had prepared the first prospectus for Investors Overseas Services (IOS), as the lead underwriter with Banque Rothschild; Guinness Mahon & Co., Ltd.; Hill, Samuel & Co., Ltd.; Pierson, Heldring & Pierson; Smith, Barney & Co., Inc. The IOS public offering related to the transformation of Bernard Cornfeld's Fund of Funds from a Panamanian company to a Canadian corporation to be listed on the Toronto and Amsterdam Exchanges. (12)

It is clear that Cornfeld had discovered a way to launder dirty money through offshore, confidential, bank accounts, and it is clear that some of those accounts must have had an interest in developing the Bahamas as a gambling resort. Whoever ultimately owned the funds that were being laundered, they had ties to banks in Canada, Boston, and the Caribbean.

Richard King Mellon

Mellon had been a director of the PRR since 1934, succeeding his father Richard B. Mellon. Mellons had held a seat on the PRR board since 1856. R.K. Mellon was the senior member of the Penn Central Board at the time of the merger in 1968. He died in June 1970. The Mellon family is very powerful in America. At the time of the Penn Central merger, their major holdings were in Aluminum Corp. of America (Alcoa)--33.85% of common stock individually owned and 25% preferred stock through individuals and foundation; Gulf Oil--70.24% of common owned by Mellons and their companies; Allis Chalmers; Bethlehem Steel; Jones & Laughlin Steel; Koppers United--52.42% of common; Lone Star Gas; Niagara Hudson Power; Pittsburgh Coal; Pittsburgh Plate Glass; Westinghouse. They also owned Mellon National Bank of Pittsburgh and other banks. They controlled numerous foundations, such as A.W. Mellon Trust, Avalon Foundation (Ailsa Mellon Bruce), Sarah Mellon Scaife Foundation, Old Dominion Foundation (Paul Mellon), The Richard K. Mellon Foundation and the Matthew T. Mellon Foundation. Richard King Mellon was the son of Richard Beatty Mellon and nephew of Andrew Mellon; Andrew and Richard B. were sons of William Larimer Mellon. Sarah Mellon

Scaife was Richard K.'s sister, and the mother of Richard Mellon Scaife. William (Billy) Mellon Hitchcock was the grandson of William Larimer Mellon, founder of Gulf Oil, and nephew of banker Andrew Mellon. (13)

The Mellon family had close ties with the O.S.S. London station chief David K.E. Bruce was married to Andrew Mellon's daughter. Also, the Mellon uncles were social friends of CIA director Richard Helms during the late 60s and early 70s. Bobby Lehman, who gave Billy Mellon Hitchcock a job at Lehman Brothers in 1961 also had participated with W.A. Harriman & Co. in aviation issues (Lehman, Billy's father Tommy Hitchcock and Averell Harriman were on the same polo team). Lehman Brothers also financed David Sarnoff's Radio Corporation of America, which served as Sir William "Intrepid" Stephenson's headquarters in New York until the O.S.S. was established. Like Drexel & Co., Lehman Brothers would also be bought out by European old-money families. It first merged with Kuhn Loeb and later with the company formed by the merger between Shearson Hayden Stone and Loeb Rhoades--forming Shearson Lehman American Express, which in 1992 was controlled by Edmund Safra and Carl Lindner (each with about 4%). This leads us to wonder who Lindner was fronting for. Could it have been the same old-world aristocrats, heavily involved in the global drug trade?

Richard King Mellon had engaged in some real estate development with William Zeckendorf, who not only assisted the Rockefellers in many developments, but who had formed a corporation called Trizec with a capital syndicate which included a branch of the Canadian Bronfman family, the Boston investment bank of Hill, Erlanger and a British group called English Property which was controlled by Eagle Star Insurance--a company said to be very closely connected to the British Crown, the Rank Organisation and to MI-6. (14)
Mellon had a close relationship with David Bevan, president of PRR, who like Mellon was extremely secretive. He had been on the War Production Board during World War II and a member of the U.S. Lend Lease Mission to Australia, as well as deputy chief of the Economic Mission in London in 1945. Bevan operated a highly confidential investment fund organized in 1962 called Penphil which had 15 shareholders, including Bevan and four senior officers in the PRR Financial Department. Among these officers was Charles J. Hodge, partner in and chairman of the executive committee of Glore, Forgan, Wm. R. Staats, Inc.--the investment bank founded by OSS agent Russell Forgan, in which Maurice Stans was a partner. After the Penn Central merger, the Glore bank would merge with Francis I. DuPont's brokerage company. (15)

As mentioned in Parts One and Two of this series, William Zeckendorf stated in his autobiography that he had been asked to develop Century City in California in the early 1960's but backed out of the deal because of his involvement with the Great Southwest Corp. He sold out his interest in the California joint venture to Richard King Mellon of Alcoa. Alcoa's chairman for many years was Arthur Vining Davis, who created Arvida--another land development company with vast holdings in Florida. Prior to the merger, thousands of acres of land had been sold by the owners of Arvida, the Great Southwest Corp. in Texas and Macco Realty in California, as well as other properties ready to be developed--all near urban areas. This preparation for massive suburban development followed closely on the heels of the Kerner Commission Report and the attempt to de-segregate by forced busing, which merely increased white flight out of the inner city.

Strangely enough, Arvida remained a part of Penn Central and was managed by it until 1983--at least three years after Pug Winokur went to work for Victor Palmieri, who headed Penn Central and its subsidiaries. According to John Taylor in Storming the Magic Kingdom: Wall Street, the Raiders and the Battle for Disney (Alfred A. Knopf, 1987), Penn Central emerged from Chapter 11 bankruptcy in 1978 "with what to many seemed an excessively bureaucratic management." One of Arvida's executives, Chuck Cobb, joined with Richard Rainwater in a leveraged buyout on behalf of the Bass Brothers. With an investment totaling $20 million, they arranged financing of $183.6 million, secured by Arvida's assets. Six months later they marketed the company to Disney, a corporation which already owned 17,000 acres of land in Florida. The eventual deal with Disney would result in giving Bass Brothers a big block of Disney stock. The land package which Disney had bought in around Orlando, Florida, in the 1950s had been put together for him by Paul Helliwell, former OSS chief of the Far East Division, who was recommended to Disney by William J. Donovan. Disney's investment banker for many years was J.P. Morgan, a firm which worked with Donovan. Helliwell also set up the Castle Bank in the Bahamas to launder money flowing from the sale of drugs from Burma and Thailand

used to finance Chennault's airline. Castle Bank would eventually be connected to Billy Mellon Hitchcock's profits from selling LSD to California college students.

BATTLE FOR NEW YORK CENTRAL AND ALLEGHANY CORP.

Robert R. Young

During the long history of the New York Central Railroad, its owners had included the Astor family and the Vanderbilts. When Cornelius Vanderbilt died in 1877, he owned 87% of the stock, which he left to his son William H. Vanderbilt. In 1879 five-eighths of the stock was sold with the help of a syndicate controlled by J.P. Morgan, who then became a board member of the railroad. According to Ron Chernow, in his book The House of Morgan, the "Morgan-led syndicate" had the job of liquidating 250,000 shares without collapsing the price of the stock. J.P. Morgan bought 1/5 of the shares available. "The syndicate allotted 20,000 shares to Jay Gould, 15,000 to Russell Sage, and 10,000 to Cyrus Field." Apparently the remainder of the shares were sold "abroad," primarily in London. Morgan obtained proxies to vote these foreign-owned shares. The Morgans retained control of the railroad until a new assault occurred in 1916 with passage of anti-trust legislation. The Central had sold off one line called the Nickel Plate Railroad to the Van Sweringen brothers from Cleveland, Ohio. With financing arranged by the House of Morgan and Guaranty Trust the Van Sweringens made one purchase after another by using existing holdings as collateral for new acquisitions, with loans from Morgan.

Thus, like the Murchisons, who would come later, the acquisitions were all with borrowed funds. This is extremely important in understanding ownership of an asset. Even if title is in my name, if a corresponding debt is outstanding, I do not own the asset; the creditor does. The purpose of this type of transaction is purely and simply a subterfuge to disguise the actual owner. It is no different from having a hidden trust agreement which contractually allows one person to secretly hold title in his name for the benefit of another. The legal documents may look different, but the result is the same.

In January 1929 the Morgan Bank issued new stock for the Alleghany Corporation as a holding company for the railroad lines it owned, foremost of which was the Chesapeake & Ohio, but also the Erie and the Missouri Pacific. (16) When Alleghany stock led the crash the following October, Morgan and Guaranty Trust led a syndicate that furnished a $40 million rescue loan that secretly replaced the Van Swerigens. Default in the first loan payment resulted in foreclosure the following year, which officially put the Morgan banks in control of the equity. But, of course, we don't know the source of the funds Morgan was using for this purpose. According to Charles Higham [Wallis: Secret Lives of the Duchess of Windsor. London, 1989], J.P. Morgan was "a chief investor for [Queen Elizabeth's father and mother] King George VI and Queen Elizabeth" long before he became king after his brother abdicated. Morgan had issued shares of Alleghany preferred stock, "in a storm of controversy," which were acquired by Solomon Warfield for his niece Wallis Simpson, who would later marry King Edward VIII, the brother of King George. Wallis inherited these shares when her uncle died in 1927. In fact, they had been her favorite investment because they were one of the few stocks that did not suffer during the 1929 stock market crash.

Charges were made beginning in 1935 when the Morgans held an auction in which the Van Sweringens were allowed to bid on their former empire and obtain it for a mere $3 million, with borrowed funds of course. Within a short time both brothers had died, and the team of Robert Ralph Young and Cyrus Eaton (allegedly a tool of John D. Rockefeller) were able to acquire the largest block of shares of Alleghany. However, the other shares, voting together, kept Young from gaining a seat on the board. Ron Chernow refers to Young as "certifiably America's most rabid Morgan-hater." He says he "smarted after being rebuked by Tom Lamont for his testimony at the Wheeler railroad hearings in the late 1930s." Burton K. Wheeler, the Senator in charge of the hearings, was a friend of Young's, according to Charles Higham. He was opposed to the Lend-Lease program and to America's entry in World War II, and was a founder with Charles Lindbergh and Norman Thomas of the America First Committee. (17) At the time of the hearings, Young was chairman of the

Chesapeake & Ohio Railroad--parent of the Baltimore & Ohio, which eventually merged with the Seaboard Airline running from Baltimore to Florida. (18)

Allan Price Kirby

By 1941, Young had gained support of Allan Price Kirby, who joined with him in acquiring even more shares, with the same result; they were still locked off the board. Kirby's father, Fred Morgan Kirby, from Wilkes-Barre, Pa., had been the partner of F.W. Woolworth in creating the five-and-dime corporate empire. Although Kirby did not travel in the same jet set lifestyle in Palm Beach, Florida with Robert Young, it is clear that the heirs to F.W. Woolworth's fortune did. One of the heirs was Barbara Hutton, niece of E.F. Hutton, referred to as the "poor little rich girl." Her first cousin was Jimmy Donahue, the flagrant homosexual companion of the Duchess of Windsor for a three-year period in the early 1950s. Other wealthy Palm Beach socialites included the Dodge family, who had married into the William Rockefeller family. Like Kirby, the Rockefeller companies were based in Morristown, N.J. William Rockefeller and his partner James Stillman had founded the National City Bank, which has a long history of laundering "dirty money."

Whether it is a coincidence or not, it was also in 1879--the year J.P. Morgan liquidated 5/8 of the Vanderbilt shares-- that Robert R. Young's grandfather, an Englishman named Robert Moody, arrived in Canadian, Texas and began ranching and banking operations. The Moody ranch was located in the northeast section of the Texas Panhandle and was surrounded by ranches like the LIT and the LX, which were owned by syndicate investors from England and Scotland.

Walter W. Foskett

Young and his wife Anita were introduced to the Duke and Duchess of Windsor in Palm Beach, Florida by their mutual friend Walter Foskett, who acted as the Duke's American attorney while he was governor of the Bahamas. Foskett was also the attorney for Sir Harry Oakes (who owned the second largest mining company in Canada) and Harold Christie (former bootlegger), members of a consortium (called Tesden Corporation) suspected of "shady dealings" in the U.S. and Caribbean. Foskett was also a director of Alleghany Corporation. Walter W. Foskett grew up in Logansport, Indiana and was the son of an engineer on the Pennsylvania Railroad. He began law school at Indiana University but after two years was forced to drop out for financial reasons. After working for a year as a railroad clerk earning $65 a month, he was able to return to school and graduated in 1907. He accepted a position in a Logansport law firm after a brief period in Seattle. Later he established his own practice and served one term as the Logansport city attorney and moved to Miami Beach, Florida in 1922. There he established the law firm of Winter Foskett with a long-time friend, Bert Winter. Foskett died in 1973.

It soon becomes obvious what the relationship was between the Windsors and Foskett. Reading between the lines, we may surmise that between 1907 and 1922 the Logansport economy was very dependent on the railroad which ran through the town. It is difficult to sort out all the small rail lines during these years, which would eventually be consolidated into larger lines; however, it appears that the main rail line through Logansport was owned by a Kentucky chartered company--the Louisville & Nashville Railroad (L&N)--a competitor in the area with the Pennsylvania and the New York Central. L&N had connections into the port areas of New Orleans area, Virginia and Georgia, which primarily were destinations of the interior connections primarily in the coal producing areas of Kentucky, Indiana, and Illinois. Through acquisitions in Indiana and Illinois in 1969 it became an important Midwestern rail center.

For many years 35% of the stock of L&N was owned by the Seaboard Coastline Railroad--controlled until his death in 1927 by Solomon Warfield, the uncle of Wallis Simpson. In 1969 the Seaboard bought the remainder of the outstanding shares, and the L&N became the wholly-owned subsidiary of Seaboard Coast Line Industries. In 1976 the Toledo, Peoria & Western (TP&W) -- a bridge line jointly owned by the PRR and ATSF -- bought the L&N unit line from Penn Central trustees. On December 31, 1982, the corporate entity known as

the Louisville & Nashville Railroad Company was officially merged into the Seaboard System Railroad, ending the L&N's 132-year existence under a single name. The Seaboard System quickly lost its own corporate identity as it and the Chessie System became CSX Transportation in 1986 (Click.) and (Click.). The Duke had abdicated in 1936 following his marriage to Wallis. His family had given him the post as governor of the Bahamas in 1940, which he viewed as exile. At that time the islands that comprised the Bahamas were undeveloped, but the Duke was planning to build a resort in the Out Islands, along with his Bahamian associates. While he was stationed there his activities were closely monitored by the FBI, as well as by the British, who felt he was pro-Nazi and a threat to the war effort. The Americans were concerned because they intended to build a naval station at Andros Island, not far from where the Duke was meeting with his pro-Nazi friends.

Pro-Nazi Cabal in The Bahamas

The Duke met repeatedly with American businessmen such as Irish-American, James Mooney of General Motors, European division, whose factories in Berlin manufactured tanks for Hitler's use. As it turns out, Robert Young had a great deal in common with Mooney. Most of Young's professional background was connected to the DuPont financial empire. He worked for Pierre S. du Pont at the same time John J. Raskob was the company's treasurer, and later moved to General Motors after Raskob, who was secretary treasurer of the Christiana Securities Company, convinced Du Pont to invest in General Motors in 1914. Raskob, from 1918 to 1928, was vice president and chairman of the Finance Committee of General Motors, as well as vice president in charge of finances at DuPont. By 1920 GM comprised half the earnings of DuPont, but the company, as a result of a federal antitrust investigation, disposed of its stock in 1961. Robert Young is said to have had a falling-out with Raskob prior to the 1929 crash. As a result, Young left GM, and made a fortune for himself shorting stock. (19)

It was not until 1954 that Young gained complete control of the Alleghany with the assistance of two fellow Texans, Clint Murchison, Sr. and Sid Richardson [uncle to the notorious Bass Brother of Fort Worth--his heirs], who bought Alleghany stock with loans from the corporation and voted the shares in favor of Young. Along with various railroad segments that were consolidated to create the line were numerous pieces of real estate that were owned as part of the property of the railroad. Such real estate included the Grand Central Terminal, the Waldorf Astoria Hotel and the Bank of New York Building. It also included what was then called the Pan Am Building, but later changed to the Met Life Building at 200 Park Avenue. This building was built just north of the terminal's main concourse by the New York, New Haven and Hartford Railroad, which owned an interest in the land as a subsidiary of the New York Central. The company which built it received one-fourth of the financing ($25 million) from Jock "King" Cotton, an English investor who was a member of the syndicate group that typically was involved in projects with William Zeckendorf. The building was named "Pan Am" because the new airline company was the major tenant at the time. In 1981 Grand Central Buildings, Inc. sold its interest to Metropolitan Life Insurance Co. It is currently the address for the Home Loan Bank of New York. When it opened in 1963, 200 Park Avenue was the largest privately owned office building in the world.
For some reason, this building was the headquarters of the United Fruit Company at the time Eli Black jumped from his office on the 44th floor. (20)

The plan to develop The Bahamas proceeded in Freeport under the direction of Wallace Groves, who had been convicted in 1941 of mail fraud, but who appeared in the Bahamas shortly after that. In 1955 Groves obtained a concession from the government granting 50,000 acres of land to Grand Bahama Port Authority Ltd., with an option of adding an additional 50,000. The Port Authority, which Groves headed, was relieved from paying taxes on income, capital gains, real estate and private property until 1985 - a provision that has since been extended to the year 2054. Groves convinced the shipping tycoon D.K. Ludwig to construct a harbor, and in 1962 he brought in Canadian mobster Louis Chesler to develop the tourist center of Lucaya. Groves also operated Intercontinental Diversified Corporation, using as his attorney Paul Helliwell, former O.S.S. Chief of Intelligence in China, where he had met numerous times with Ho Chi Minh in 1945. (21)

After the O.S.S. was disbanded Helliwell worked within the War Department Far East intelligence division before opening a law firm in Miami where he worked for the CIA, handling corporate legal matters. Helliwell represented Claire Chennault in financing his airline with drug smuggling, and contracting with the CIA's sister agency, Office of Policy Coordination, headed by Frank Wisner, before the two agencies were merged in the 1950s. (22) Sea Supply Corporation was set up in Miami in 1949 with its main office in Bangkok, Thailand. Helliwell in 1952 was attorney for Sea Supply, as well as general counsel for the Royal Consulate of Thailand, the address of which was Helliwell's law office. Sea Supply was a cover for Chennault's Civil Air Transport (CAT), while also channeling assistance to Thailand's police chief who was involved in the opium trade. Once the Far East money stream was set up, Helliwell focused on Guatemala and helped Frank Wisner and Tommy Corcoran--lobbyist for the airlines and for the United Fruit Co. --orchestrate the coup which forced President Arbenz into exile. Helliwell acted as "paymaster," the man who made the off-the-books payments with cash that did not appear on government budgets. Helliwell also headed the Republican Party in Florida, bringing him into contact with Bebe Rebozo, one of Richard Nixon's biggest financial supporters.

Helliwell's law partner Mary Jane Melrose, moved to Freeport, The Bahamas, in 1969 serving as an officer and director of the Port Authority and also of Intercontinental Diversified. Payoffs were made to the Prime Minister from the corporation's accounts, which had been laundered through the Castle Bank & Trust, set up by Helliwell's law firm. The year before Melrose began handling operations personally from the island, the Port Authority had considered transferring shares to a Philippine mining company named Benquet, founded in 1903. The group Helliwell represented was involved in a consortium with a group represented by Allen & Co.--a merchant bank in New York composed of Charles and Herbert Allen, who held the largest block of Benquet stock. According to J. Bryan III and Charles J.V. Murphy in The Windsor Story (Dell 1979), Charles Allen of Allen & Co. was one of the Duke of Windsor's most respected advisers (p. 609). Bryan and Murphy also indicate that Clint Murchison sold to both Robert Young and the Duke shares in his Canadian Delhi, from which the Duke made a profit of more than half a million pounds. While the three of them were in Mexico, Young attempted to sell used rolling stock there, while Murchison attempted to buy mineral rights to offshore properties.

The parent company for Castle Bank was Freeport's first bank, Mercantile Bank & Trust (founded in 1962), which owned one of the five shares of Castle. Mercantile had itself been formed by a syndicate which included the Cayship Investment Co. of Panama and other entities owned by Daniel K. Ludwig. Legal documents revealed that Mercantile had been set up by Inge Gordon Mosvold, a Norwegian shipbuilder. By 1965 Paul Helliwell was a director of Mercantile Bank. Documents also showed a close connection between Helliwell and the Chicago law firm of Burton Kanter, who was a tax attorney for members of organized crime in Chicago, whose primary means of laundering money was into hotel chains.

Surprisingly, this Bahamian finance scheme coincided with much of the political background of Richard Nixon, whose first government job was in 1943 at the Office of Price Administration, where he met Cuban American Bebe Rebozo and future-Senator George Smathers. Nixon's job was to regulate the prices of rubber goods, which were rationed during the war. Smathers was an attorney for crime figures smuggling tires from Cuba, while Rebozo owned a gas station from which he sold the tires on the black-market. A few years later when Nixon ran his first campaign for Congress, he was assisted by mobsters working for Mickey Cohen, who sold heroin in Los Angeles. Through Rebozo, Nixon also met other organized crime figures, many who had been involved in Cuban casinos before Castro threw them out. Some of these men set up businesses in The Bahamas, once it was developed. Nixon was an attorney for National Bulk Carriers, which had contracts with General Development Corp., run by Wallace Groves and Lou Chesler, to build the harbor. In his presidential campaigns, Nixon was the first Republican to have union support--from the Teamsters, headed by James Hoffa, who loaned hundreds of millions of dollars from the Central States Pension Fund for construction of casinos in Las Vegas. [Source: Gary W. Potter, Professor, Criminal Justice and Police Studies, and sources cited therein.]

Alleghany Corp., IDS, Money Laundering, and Richard Nixon

Once Young gained control of NYC, he appointed Alfred Perlman to be president. Working with Perlman for many years was Wayne Hoffman, who left the railroad one year before the merger took place. Hoffman became chairman of the Flying Tiger Airlines in Los Angeles. This is the airline mentioned in a previous part of the series which was set up in California by pilots in Claire Chennault's squadron in China, who had flown opium for Chiang Kai-Shek. While the Flying Tiger group were making deals with Edwin Pauley and his friends in Mexico, Claire Chennault was letting Paul Helliwell set up a system to finance his airline by laundering drug money from Burma and Thailand. Hoffman serves as a link between these airlines and the Penn Central. One attorney in California for the Flying Tiger Line was Herbert Kalmbach, who was on President Nixon's staff. Nixon was also connected to the Penn Central by virtue of his own legal work, prior to his election, for Investors Diversified Services (IDS).

In 1954, Robert Young had sold Clint Murchison, Sr. a 24 percent interest in IDS, whose three subsidiaries sold savings certificates and other securities. This $5 million investment increased in value to $7 million in three months. Incredibly, when Kirby and Young bought IDS in 1949, they paid less than $2 million, though by 1959 it grew to control assets worth $3.4 billion. Accusations of insider trading were made, and in 1959, after Robert Young's suicide, Allan Kirby convinced Murchison to give back his voting shares of IDS in exchange for non-voting shares. Kirby controlled Alleghany, and, after the exchange, Kirby controlled 48% of the voting shares of IDS, allowing Kirby to squeeze out Murchison and his two sons, to whom he transferred his stock--at about the same time all the Texans were kicked off the board. At that point the Murchison brothers decided to wage a proxy fight against Kirby, which lasted two and a half years. The brothers also sued Kirby for $100 million for conspiracy and fraud, losing in the U.S. Supreme Court.

Alleghany Corp. owned almost a million shares of New York Central stock. But by far the most valuable asset was IDS. By the end of 1962, a year and a half after winning the proxy fight, the Murchisons decided to sell their interest in Alleghany to Bertin C. Gamble, from whom Young had acquired it in 1949. By this time, the stock was worth $300 million. There can be no question but that this was a money-laundering operation. Gamble quickly sold the stock to Allen Kirby and two associates. It would have been around this time that Richard Nixon moved to New York and began representing IDS. Two years later, the Pennsylvania Railroad, while working toward a merger with the New York Central, began a buying spree. The board bought land in California, in Texas and in Florida. It bought a company called Executive Jet Aviation, with David Bevan spending $21 million without board approval, without requesting CAB approval for the railroad to operation an air carrier. Penphil, the secretive investment group operated by David Bevan, also purchased 10,000 shares of Tropical Gas Co., Inc. in 1963, and continued buying through 1968. After the Penn Central merger Tropical exchanged shares with U.S. Freight Co. when the two corporations merged in October 1969. In 1969 most of the board members of Tropical had connections to Glore Forgan. Tropical had borrow from one director's bank in Miami, a bank which also made construction loans to Arvida and loans to PRR to buy Arvida stock. Penphil also had loans from Chemical Bank of New York to finance various investments.

The question is whether the looting was planned all along, or whether it just got out of hand. What arrogance led these men to believe that they could spend so much money and accumulate so much debt without the entire structure collapsing around them? Unless of course, the plan all along was to use the land to launder drug money; the value of the stock hit bottom before they could fulfill the plan. Then Richard Nixon failed to push through the bailout loans from the government when Congress objected. Bankruptcy was filed in 1970, and Victor Palmieri was called in to protect the assets. And the system was still operating during the 1972 election. Remember the Dahlberg check? Dahlberg lived in Minnesota (home of IDS) and made a contribution there to the Committee to Re-Elect Nixon. This check went to Maurice Stans, apparently, and then out to Houston, Texas where Bill Liedtke bundled it with cash and another check drawn on a bank account in Mexico from a subsidiary of a Houston corporation.... But isn't this where we came in? Watch for Part Five, which will make this connection even more apparent.

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Notes:

(1) Colombia's petroleum production today rivals Kuwait's on the eve of the Gulf War. The United States imports more oil from Colombia and its neighbors Venezuela and Ecuador than from all Persian Gulf countries combined. Stan Goff, a former U.S. Special Forces intelligence sergeant, retired in 1996 from the unit that trains Colombian anti-narcotics battalions. Plan Colombia's purpose is "defending the operations of Occidental, British Petroleum and Texas Petroleum and securing control of future Colombian fields," said Goff, quoted in October by the Bogotá daily El Espectador. "The main interest of the United States is oil." Colombia's known oil reserves amount to 2.6 billion barrels, far fewer than those of the world's major oil powers. But only about 20 percent of the country's potential oil regions have been explored, due to the violence. Colombia's biggest foreign investor is BP Amoco, formed when British Petroleum merged with Chicago-based Amoco in 1998. The London-based giant controls Colombia's largest oilfield, a 1.5-billion-barrel trove called Cusiana-Cupiagua in the northeastern province of Casanare. A 444-mile pipeline called Ocensa carries BP Amoco oil to the Caribbean port of Coveñas for export. Los Angeles-based Occidental Petroleum helps operate the nation's second-largest oilfield, Caño Limón, holding 1 billion barrels in Arauca, a province just north of Casanare. Occidental pumps away its share through a 485-mile duct to Coveñas. The June announcement confirmed a deposit about 55 miles southwest of Bogotá. An international consortium led by Canadian Occidental Petroleum expects as much as 300 million barrels from the oilfield, called Boquerón, making it the nation's third-largest deposit. Many of these companies have led the fight for U.S. military aid to Colombia, the world's third-largest recipient of U.S. security assistance. In 1996, BP Amoco and Occidental joined Enron Corporation, a Houston-based energy firm, and other corporations to form the U.S.-Colombia Business Partnership. Since then, backed by hefty oil-industry donations to political candidates, the partnership has lobbied hard for increased aid. Oil will remain a U.S. military priority under President George W. Bush if his campaign donors and cabinet appointees have any influence. The top source of cash for his presidential and Texas gubernatorial bids was Enron and its employees, including CEO Kenneth L. Lay, according to the Center for Public Integrity. Enron, one of the companies that led lobbying for Plan Colombia, owns Centragas, a 357-mile natural gas distribution system in northern Colombia. http://www.globalexchange.org/colombia/021501.html

(2) In 1985 the largely unknown Fayed brothers paid $689 million in cash for the House of Fraser retail chain (whose flagship was Harrods). Two years later, the Department of Trade and Industry--at the instigation of al Fayed's chief rival for control of Harrods--began investigating the family. Its report, published in 1990, concluded that the brothers did not hail, as they had claimed, from "an old Egyptian family" with a 100-year history of landownership and shipbuilding. "The image created...of their wealthy Egyptian ancestry was completely bogus," the report said. The government further concluded that the money al Fayed used to purchase Harrods could not have come from an inherited fortune, as he claimed, but was probably put up for al Fayed by his associate, the Sultan of Brunei, the world's wealthiest man. Al Fayed was not accused of breaking any law, and he and the Sultan denied the charges. Al Fayed bitterly attacked the report as a smear. "They could not accept that an Egyptian could own Harrods, so they threw mud at me," he once said. But acquaintances of his in Alexandria also describe the Fayeds as a modest family: al Fayed's father was a language teacher, and al Fayed grew up on the rougher side of town. He started as a small-time trader there, selling Singer sewing machines and Coca-Cola. In the early 1950s the future Saudi billionaire Adnan Khashoggi offered al Fayed a share in a Khashoggi business that exported Egyptian-made furniture to Saudi Arabia. The company took off, and not long after, al Fayed married Khashoggi's sister Samira, who gave birth to Dodi in 1955. He divorced her after two years and went into the construction business in the United Arab Emirates. After befriending Dubai's ruler, al Fayed won big development contracts for British firms prowling the Persian Gulf. "Of course," says Khashoggi, "there were fees and commissions." This brokering was the foundation of the Fayed family fortune. http://www.time.com/time/magazine/1997/dom/970915/princess.outside_lokin.html and http://www.guardian.co.uk/hamilton/article/0,2763,195658,00.html and http://www.porters.uk.com/covent/movers/default.asp?ID=12 For more on Khashoggi's dealings, see http://www.redherring.com/mag/issue107/627.html

(3) The following is an excerpt from a 1988 article written by John Summa called "ANGLO-AMERICAN CORPORATION: A PILLAR OF APARTHEID": Anglo owns 39 percent of Minorco's stock and De Beers another 21 percent. Minorco has a 30 percent stake in Engelhard, an international producer of platinum with sales of over $18 million annually. Through the company's New York headquarters, Engelhard buys gold, silver and platinum from South African mines and refines them at plants in the United States and abroad. Power appears to be shared with U.S.-based Philipp Brothers, a multinational trading firm that possesses a CIA-like communications and intelligence network, and is involved heavily in South African metals. [Note: In Part Two of this series Engelhard was identified as a client of Russell Forgan, investment banker at Glore Forgan and former O.S.S. agent who became closely connected to European companies like Italian SuperPower. Forgan's investment bank, which later merged with F.I. DuPont, was at the center of Penn Central purchase of land and other assets that led to its bankruptcy.]

Anglo also has a presence in the United States, which extends to minerals such as copper, zinc, gold, silver, nickel and coal, by way of the Inspiration Resources Company, in which it has a 59 percent share. Minorco previously had a 14 percent stake in Salomon Brothers, Inc., a U.S. investment bank, which it sold in 1987. Minorco has offered $4.9 billion to acquire Britain's Consolidated Gold Fields Plc., the world's second largest gold producer. Purchasing Consolidated Gold would greatly expand Anglo-American's mineral holdings, particularly in the United States. Consolidated Gold owns 30.7 percent of Peabody Holding, the United State's biggest coal producer, and 49 percent of the U.S.-based Newmont Mining Corp. Almost a third of Consolidated Gold's profits are generated in North America.

Anglo-American's character is a reflection of the designs of South Africa's Oppenheimer family. Sir Ernest Oppenheimer took over the mining enterprise from late 19th century English mining magnate Cecil Rhodes. He built a diversified company out of initial investments in diamonds and other gems, which he passed on to his son, Harry Frederick Oppenheimer. When Anglo-American was set up in 1917, half of the initial capital supplied came from U.S. investors, with the condition that Oppenheimer's first choice for the company's moniker, "African-American," be changed to Anglo-American, because "African-American would suggest on this side our dark-skinned fellow countrymen and possibly result in ridicule," a cable from the U.S. investors stated. The company in 1929 bought De Beers from successors of Cecil Rhodes.

Through Anglo, the Oppenheimers own shares in all of South Africa's mining houses. In fact, the houses have cross-holdings with each other, making the block of capital quite formidable. But the extent of Oppenheimer wealth and power does not stop there. They are owners of the nation's largest steel works, travel agency, brick factory, discount house, auto dealership and computer software firm. The Oppenheimers are not afraid to employ their power to get what they want. On the issue of apartheid they have ostensibly taken a reformist position and have crafted an image for themselves as defenders of the rights of black workers by supporting abolition of the pass laws and the Group Areas Act, the cornerstones of the apartheid political structure. http://multinationalmonitor.org/hyper/issues/1988/09/mm0988_08.html

(4) http://www.corpwatch.org/bulletins/PBD.jsp?articleid=420 . According to Robert Lacey's book, The Kingdom: Arabia and the House of Saud, Mohammed bin Laden was a patient of Khashoggi's father, a prominent Iranian physician. The young Khashoggi became a middleman for the bin Laden conglomerate in the late 1950s, getting his start by negotiating a big truck sale that earned the Iranian $25,000. http://www.straightgoods.ca/ViewNote.cfm?REF=1173. "Of all the bin Ladens, it was Saleem who had the close relationship to the Bushes. The connection was a Houston wheeler-dealer named James Bath, who haunted the darker back corridors of the Bush-Reagan years, amid the fragrance of scandals ranging from Iran/contra to BCCI to the Silverado Savings and Loan debacle to Iranian weapons mogul Adnan Khashoggi. ... In the mid-1970s, Bath became vice-president of Atlantic Aviation, one of the world's top business-aircraft sales companies. At the time, Atlantic was owned by Edward DuPont, of the DuPont chemical empire. DuPont's brother, Richard, served on the board of Atlantic. According to Gerard Colby's excellent book, DuPont Dynasty, Richard's own company, Summit Aviation, was a longtime CIA contractor. ...Through the bin Ladens, Bath was also introduced to Sheik Khalid bin Mahfouz, the CEO of the National Commercial Bank, Saudi

Arabia's biggest bank. The NC bank was a prime lender for Khashoggi. In 1985, at a time when the arms dealer was moving weapons to Afghanistan, Iran and the contras, NCB loaned Khashoggi $35 million. Bath would team with Khalid, and former Texas governor John Connally, in buying the Main Bank in Houston, an institution that helped finance the campaigns of many Texas politicians through the late 1970s and 1980s. Khalid's banking empire would eventually extend to a stake in the Bank of Credit and Commerce International, the institution that catered to crooks and spooks. Among other criminal enterprises, BCCI served as Khashoggi's chief bank for his arms deals with Iran, a depository for Oliver North's covert action funds and the conduit for CIA money bound for the Muj in Afghanistan. Khalid was indicted for fraud in 1992....The bin Laden family has also invested at least $2 million in the Carlyle Group's Partner's II Fund, which specializes in the acquisition of aerospace companies. "

(5) http://www.rancho-mirage.com/ and http://www.whannenberg.org/fd.html and http://www.oneworld.org/ni/issue137/affluence.htm and http://csf.colorado.edu/authors/Gaffney.Mason/who-owns-so-calif.html
(6) http://www.drugwar.com/propaganda.shtm

(7) In the deposition he gave, Ruby was represented by four attorneys:
MELVIN BELLI, San Francisco; JOE TONAHILL, Jasper, Texas ; SAM BRODY, Los Angeles, California; and WILLIAM CHOULOS, San Francisco, California. (Note: Brody was also attorney for Jayne Mansfield, and was killed in a car accident with her between Biloxi and New Orleans in 1967 http://www.reporter-news.com/1998/opinion/gree1028.html and http://www.gravehunter.com/sam_brody.htm).
http://history-matters.com/archive/jfk/wc/wcvols/wh15/pdf/WH15_Kaufman.pdf
He said that in 1933 he, one AL DUNN, MAURY (last name not recalled) and a third person, whose name he-could not immediately recall, went to Los Angeles, California, where they sold "Collier's Tip Sheet", which he described as a handicapper's tic sheet for horse races . He said their arrival in the Los Angeles area coincided, as he recalled, with the opening of the Santa Anita Race Track . He related they remained in the Los Angeles area for a few months only and during the same year, 1933, went to the San Francisco area, where he at first engaged in similar activities at the Bay Meadows Race Track . Subsequently, he sold subscriptions to Hearst newspapers, the San Francisco Examiner and San Francisco Call Bulletin, covering San Francisco and small towns in the general area . He said he remained in San Francisco until 1937 and returned to Chicago and was unemployed for a considerable period . In 1941, he related, he, his brother EARL RUBY, HARRY EPSTEIN, MARTY SHARGOL (Phonetic) and MARTY GIMPLE "went on the road" selling punch boards and small cedar chests in numerous Eastern and New England states . He specifically mentioned the states of New York, Connecticut and Pennsylvania . He said he had no fixed address during this period, that the group lived in various hotels .

RUBY related that in late 1941 he returned to Chicago and continued his business of selling punch boards, primarily through mail orders. He mentioned an advertisement was run in Billboard magazine in this regard . He mentioned that during this period he became very closely associated with ARTY WAYNE, a musician. RUBY stated he remained in Chicago until 1942. RUBY said that in 1946, on being discharged from military duty, he returned to Chicago and "prospered" in his mail order business involving punch boards and miscellaneous items . He said his sister EVA had for some time been wanting to operate a night club in Dallas and had moved to Dallas from California . He said he in the meantime had had some friction with his brothers and had sold his interest in their mutual business of selling punch boards and other items to the brothers. He said he sent money to his sister EVA for a lease on a building in which to open a club. ... He said that in the summer of 1963 he flew via American Air Lines to New York City, where he remained for two or three days at the new Hilton Hotel . He said his purpose was to see JOE GLASER, a booking agent, and to see officials of American Guild of Variety Artists in order to register complaints relative to competitors in Dallas . He said he traveled alone . On this trip, he recalls having run into "DANTE", a magician, in an automat and having -visited or contacted BARNEY ROSS, former well-known prize fighter whom he had known in Chicago . He said on the return to Dallas he went via Chicago and that members of his family joined him briefly at O'Hare Field, the Chicago airport. RUBY said he could recall no other travel outside of Dallas during 1963.

(8) Don't laugh. The YMCA had a very strategic role in the Great War. In fact, the YMCA has a secret history that is difficult to decipher. One of the men who was involved in YMCA activities was Col. Boris Pash, born in 1900 in California, the son of an Eastern Orthodox Russian priest who had been sent abroad by his church in the 1880s. When Boris was ten years old his father was called back to duties in Russia. During the Russian Revolution Boris joined the anti-communist White Russian navy. Being fluent in both Russian and English, he was chosen to be translator in meetings between the Russian and British admirals. When the Bolsheviks seized power, Boris joined the YMCA and was sent to Paris to work in Russian refugee camps, then to the YMCA school in Springfield, Massachusetts, and just prior to World War II he was Director of the Physical Education Department of Hollywood High School in Los Angeles, when he also joined the U.S. Army reserves and was assigned to the Infantry Intelligence Branch and soon received certification by the Federal Bureau of Investigation. In June 1940, he was posted to the Presidio in San Francisco, as counter-intelligence chief of Ninth Corps headquarters. (Note: This is the base where Michael Aquino would later operate his Satanic mind-control operations and pedophile ring from.) When the war broke out he was made responsible for investigating security breaches for secret atomic research information from the Manhattan Project's Berkeley Radiation Laboratory. Pash would later become military commander of Alsos, a military-scientific intelligence force to be directed against Nazi atomic weaponry research. After the war he served as Chief of the Foreign Liaison section on General Douglas MacArthur's staff in Tokyo (1946-47). Later he was the Army's representative to the Central Intelligence Agency (1948-51), and then served as Special Forces planning officer with the U.S. forces in Austria (1952-53). He served as Deputy Assistant Chief of Staff for Intelligence for the Sixth Army (1953-56), and was on the staff of the Assistant Secretary of Defense for Guided Missiles from 1956 until his retirement in 1957. Shortly before his 95th birthday, Colonel Pash died in Greenbrae, California, on 11 May 1995. So don't laugh at the YMCA.!   http://www.haigerloch.de/keller/allison.htm and http://www.haigerloch.de/keller/eende.htm And don't forget also young Mark David Chapman, not only stayed at the West Side YMCA, 5 West 63rd Street while stalking John Lennon in December 1980, but had been with the organization for several years, beginning as early as 1975.
http://www.courttv.com/onair/shows/mugshots/indepth/chapman.html and
http://www.crimelibrary.com/classics4/chapman/2.htm
With reference to Butcher's service to the university, see
http://www.archives.upenn.edu/primdocs/trustees/90s/19910621tr.pdf

(9)
http://216.239.35.100/search?q=cache:HZUuV05W7q0C:www.archives.upenn.edu/primdocs/trustees/70s/19701113a4.pdf+butcher+and+sherrerd&hl=en

November 5, 1970

TO THE TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA:

We have been asked as University Counsel, whether the manner in which the investment banking firm of Butcher & Sherrerd disposed of the University's holdings of stock of the Penn Central Company in May of this year violated any statutes or stock exchange rules relating to the preferring of investment advisory customers over the accounts of the advisory firm or those closely associated with it. In addition to our conversation with Mr. William L. Day, Chairman of the Trustees, we have talked briefly with representatives of Butcher & Sherrerd, with various officers and employees working in the Treasurer's Office and Investment Office of the University, and with George Connell, the officer of Drexel Harriman Ripley, Incorporated, who is in charge of that firm's activities in connection with the University's account. We have seen some of the underlying documentation relating to the brokerage transactions in question, but we have not made a thorough or exhaustive study of the various sales slips and journal entries involved, nor have we attempted to authenticate or supplement in detail the facts as described to us in the brief meetings we have had with the persons indicated above. Under the Investment Advisers Act, to which Butcher & Sherrerd is subject, the duties of the adviser to its customers are broadly stated. ...The Advisers Act was aimed at eliminating conflicts of interest between an

investment adviser and his clients. Consequently, an investment adviser must not effect transactions in which he has a personal interest in a manner that could result in preferring his own interest to that of his advisory clients. Furthermore, Whenever trading by an investment adviser raises the possibility of a potential conflict with the interests of his advisory clients, the investment adviser has an affirmative obligation before engaging in such activities to obtain the informed consent of his clients on the basis of full and fair disclosure of all material facts. Full disclosure of such potential conflict must be made to apprise the client of relevant facts so that the client is able to give his informed consent to transactions executed for the client, or to reject such transactions if he so desires.

"We understand that in March 1970, the University in accordance with a general determination made by its Investment Committee, began a gradual reduction of its Penn Central holdings. Butcher & Sherrerd sold for the University's account between March 5 and April 1, an aggregate of 18,500 shares. It was not, however, until May 15 that a definite selling program for the disposition of its remaining 94,714 shares was decided upon and undertaken. We have been advised that during the week of May 18, a substantial number of shares were sold by Butcher & Sherrerd for its own account and for the account of various partners and members of their families, and that most of such shares were sold toward the end of the week. The question, therefore, is whether these sales violated the rules stated above in the Kidder Peabody proceeding.

With respect to the sales by the University on and after May 15, we understand that as a result of a conversation between Mr. Butcher and Mr. Connell of Drexel Harriman Ripley, Incorporated, on May 15, 1970, Drexel Harriman Ripley, Incorporated has given general instructions to sell an aggregate of 42,607 shares of Penn Central. A specific order was marked for sales at $15-3/8, approximately the prevailing market, and 3,000 shares were sold at that price. On May 18, the next trading day, Drexel Harriman Ripley, Inc. sold an additional 2,000 shares at $15-5/8. Butcher & Sherrerd came upon an opportunity to sell an additional 3,000 at $15-l/2, and after checking with Drexel, effected this transaction as a part of the sale instruction for 42,607 shares given Drexel as described above. The market price of the stock declined below $15 on Tuesday and Wednesday, May 19 and 20, and accordingly no shares were sold in accordance with the sales orders at that general level which remained in effect at Drexel Harriman Ripley. In view of the decline in market price and the failure to effect sales at the $15 level, Drexel Harriman Ripley reduced the sale price on Thursday, May 21, to $13-l/4. 100 shares were sold at that price, and an additional 10,000 shares were sold later that day when the Drexel trading department reduced the asking price to $13 flat. On Friday, May 22, when the market price dropped almost two points, Drexel Harriman Ripley entered sale orders "at market" for the remaining portion of its 42,607 sales order and sold all of the University's remaining shares at prices ranging from $11-l/4 to $11-7/8, except for 40,000 shares which Butcher & Sherrerd, on receipt of an order on the Philadelphia Exchange, and after checking with Mr. Connell, sold at $12 per share. ...It can be seen from the foregoing that if Butcher & Sherrerd, as the University's investment adviser, should be considered responsible for the manner and timing of all sales for the University's account, and if the rules enunciated in Kidder Peabody are carried to their logical extreme, namely, that an investment adviser may make no sales for his account until he has completed all of the sales he has recommended to all of his advisory clients, some or all of the sales made by Butcher & Sherrerd during the week of May 18 for its own account and for the account of affiliates, as referred to above, may be held to violate those rules.

Yours very truly,

JAB:bh DRINKER BIDDLE & REATH

(See also http://www.archives.upenn.edu/primdocs/trustees/70s/19711112a2.pdf or http://216.239.51.100/search?q=cache:Q8YbMl5Ju4sC:www.archives.upenn.edu/primdocs/trustees/70s/19711112a2.pdf+drinker+biddle+reath+jab&hl=en). With regard to litigation, see http://www.law.upenn.edu/alumnijournal/Spring2000/department5/index2.html

(10) http://www.businessweek.com/1999/99_19/b3628003.htm

(11) http://www.brownia.com/pro_b_sherrerd.html

(12) (See Charles Ray, Bruce Page and Godfrey Hodgson, "Do You Sincerely Want to Be Rich? The Full Story of Bernard Cornfeld and I.O.S. ; New York: Viking Press, 1971). Robert Vesco would later be accused by the U.S. Government of looting a quarter billion dollars (426 million in 1986) from Bernard Cornfeld's Investors Overseas Services. (See Arthur Herzog, VESCO copyright©1987 -- excerpts at http://www.electronpress.com/default.asp?pl=http://www.electronpress.com/excerpts/vescoexc.htm) Vesco was backed by Henry Buhl, who introduced Vesco to investment bankers Lazard Frères; Salomon Brothers; Allen & Co.; John Loeb, Sr. of Loeb & Rhoades; Lehman Brothers; Smith Barney; and to his accountant Arthur Andersen. Buhl had been an heir to the Fisher Body company which made the chassis for GM cars. On the board of directors of Vesco's first company sat Malcolm McAlpin, a brokerage company executive who was also on the board of ITT. One of Vesco's original investors in International Controls Corporation (ICC) was the Baron Edmond de Rothschild, who introduced Vesco to Henry Buhl at IOS. In 1970 Buhl, who worked in Los Angeles, became aware that tens of millions of dollars were missing from IOS as a result of transfers of IOS accounts from Geneva to the Bahamian branch in transactions benefiting John McCandish King. He asked Vesco to help IOS by assisting Commonwealth United, a California company which owned Seeburg, the world's largest manufacturer of juke boxes and vending machines. Another officer at IOS (Cowett) attempted to sell Commonwealth stock to Bludhorn of Gulf + Western Industries, who, according to Penny Lernoux (In Banks We Trust), was its founder, chairman and CEO. Pete Brewton says (The Mafia, the CIA and George Bush, p. 378) that one of the "original founders" of Gulf + Western was John Duncan of Houston, whose brother, Charles Duncan, was chairman of Rice University Board of Trustees for many years, as well as being in Jimmy Carter's Cabinet. Bludhorn was born in Vienna, Austria, in 1926 and arrived in the U.S. in 1942. In 1949 he started an import-export business in Manhattan. In 1956 he acquired a small auto-parts company in Grand Rapids, Michigan that became Gulf + Western two years later. So it appears that Bludhorn and Vesco were both products of the same area as Max Fisher, who later began investing in land around Houston, Texas developed by Robert Mosbacher, who worked for Socony Mobil, Amoco and Houston Natural Gas/Enron. When Bernie Cornfeld was forced to step down, the IOS board considered selling to John McCandish King or Baron de Rothschild. King tried to outbid Vesco for a takeover of IOS, but blamed the "Rockefeller interests" for his inability to obtain financing. Vesco's financing of IOS came primarily from Bank of America. He even claimed he was fronting for BA, but the bank denied that allegation. According to Arthur Herzog, "another potential purchaser of IOS was Raymond Mason, president of Charter Corp., and Edward Ball, chairman of St. Joe, a paper company and trustee of the A.I. DuPont estate. Early in 1972, the Charter/DuPont deal collapsed. Ball is supposed to have told Vesco, 'I had a dream. You and I slept together on a cold night. In the morning, you had all the blankets.' " Vesco also formed a holding company called Property Resources, Ltd. (PRL) which issued shares of stock in exchange for assets of other IOS subsidiaries—Investment Properties International and Global Natural Resources. The purpose intended for PRL was to acquire Resorts International's Paradise Island casino, hotels and marina. Global Natural Resources was a pre-Vesco spin-off of Cornfeld's IOS, and it owned the mineral interests in John McCandish King's Arctic permits. King had met Cornfeld in Geneva, Switzerland in 1967; IOS' Fund of Funds invested more than $100 million in King's oil properties. They were greatly overvalued at that time, however, because there was no way of removing the oil and gas from that frozen region. [Source: Arthur Herzog, Vesco: From Wall Street to Castro's Cuba, Doubleday: New York, 1987]. This time frame fits in well with the timing of the Duke of Windsor's obsessive interest in exploring his Canadian land for oil and gas. In the 1940's and 1950's he had visited Clint Murchison at his isolated Mexican ranch to discuss the matter, and in 1951 Murchison's Canadian Delhi Co. began building Trans-Canada Pipe Lines to transport natural gas from Alberta. See http://www.transcanada.com/company/our_history/where_it_all_began.htm Murchison had helped Robert R. Young gain control of the New York Central Railroad in 1954, and his two sons would wage a long proxy fight to seize control of the Alleghany Corporation from Allan Kirby in 1961.

(13) In late 1964 Hitchcock met Sam Feranis Clapp, a Boston attorney and chairman of the Fiduciary Trust Company in the Bahamas, with whom he set up some offshore trusts. Another of Clapp's customers was Bernie Cornfeld, who turned to Billy for brokerage services for the accounts of his new mutual fund, Investors Overseas Services at about the same time Billy began advising Swiss banker Fred Paravicini in how to make

money in the U.S. stock market without paying taxes. In 1969 Cornfeld's IOS acquired Clapp's Fiduciary Trust, and Billy transferred his trust accounts into a Swiss subsidiary of Capital National Bank of Houston called "Bank for Investment and Credit Berne" (BICB), in which Billy had been offered a 6% interest. The bank stock was owned by Capital National Bank and Paravicini Bank, but investors included Seagrams, Boeing, Minute Maid in Zurich, the London subsidiary of Brown and Root and the Schlesinger Organization of London and Johannesburg. Vice-chairman was L.F. McCollum, Sr.—a long-time Humble Oil (Exxon) employee, who headed Conoco and who had founded Capital National Bank of Houston in 1965. The bank's president was Baker Lovett, cousin of James A. Baker III. In 1967 Hitchcock left his job at Lehman Brothers to become a partner in Delafield and Delafield, based on the institutional account he brought in from IOS. It was the Delafield bank which handled the stock for the conversion of Mary Carter Paint to Resorts International. In 1969 Hitchcock left Delafield. By then he was living in Sausalito, California and already enmeshed in operations to spread the use of LSD among the youth of California. To learn more about Billy Mellon Hitchcock's role in bringing LSD to America, see Chapter 2 of Acid Dreams, The Complete Social History of LSD: The CIA, the Sixties, and Beyond, New York: Grove Weidenfeld. ©1985 by Lee & Shlain at http://www.druglibrary.org/schaffer/lsd/dreams2.htm.

(14) Directors of Eagle Star Insurance have included Sir Kenneth Strong, a Scotsman and son of the Rector of Montrose Academy, who was a Major General during World War II. Assigned to General Eisenhower in 1943, Strong became a firm friend of both Eisenhower and Walter Bedell-Smith, Eisenhower's chief of staff and later the Director of Central Intelligence. Strong was appointed Director-General of Political Intelligence at the Foreign Office and then became Director of the Joint Intelligence Bureau. In 1964 he became Director-General of Intelligence, Ministry of Defence, retired in 1966, and died in 1982.
http://www.electricscotland.com/history/world/secret_service.htm

(15) The major shareholders of the New York Central acted as a front for DuPont and others. On May 20, 1971, Ross Perot, encouraged by the Nixon administration, bought a subsidiary of Dupont Glore Forgan, Inc.--Wall Street Leasing--and invested $10 million in the firm; in 1984 Perot sold his computer company to duPont-owned General Motors . Allegations of fraud were later brought against Perot in his creation of a joint venture with another DuPont brokerage company. http://www.paed.uscourts.gov/documents/opinions/01D0291P.HTM

(16) http://www.buyandhold.com/bh/en/education/history/2002/van_bros.html
Historian Robert Sobel writes that at cocktail parties, investment bankers would try to explain how Nickel Plate Securities Co. worked, but "usually with little success." Though the facts seemed to be public, so it HAD to be explainable. Well, here's a description, as told by Sobel:

"At the top of the Van Sweringen pyramid were the General Securities Corporation and the Vaness Co. The brothers owned 40 percent of G.S.C. and 80 percent of Vaness. Since Vaness owned an additional 50 percent of General Securities, control of both was assured.

"General Securities controlled Alleghany Corporation, which controlled Chesapeake Corporation, which controlled the Chesapeake & Ohio Railroad. The C. & O. in turn held stock in other lines, together with Vaness, General Securities, Alleghany, and the Chesapeake Corporation. The Wheeling & Lake Erie, the Kansas City Southern, the Chicago & Eastern Illinois, the Missouri Pacific, and the Denver & Rio Grande were also in the Van Sweringen web."

[From Maury Klein, "Rainbow's End."]

"On January 29 the Van Sweringens sold to (J.P.) Morgan $35 million in 5 percent bonds for $32.75 million, $25 million in preferred stock, and 1.25 million of the 3.5 million common shares for $20 a share, or $25 million. In addition, Morgan paid $375,000 to obtain warrants for another 375,000 shares of common at $30 per share. The Vans also took warrants for 375,000 shares at the same price and bought 2.25 million shares of common at $20 a share. For this stock they paid not cash but 100,000 shares of Nickel Plate common and

440,286 shares of Chesapeake Corporation common. Then they sold to their own General Securities Corporation the 2.25 million shares of Alleghany and 1.725 million option warrants at $1 per warrant. Since all the directors of Alleghany were Van Sweringen associates, the deal amounted to trading with themselves." Or, as an official said at the time, "The control of the parent's directors over the subsidiaries' machinery is absolute; even the information disclosed may be so blind as to be unintelligible."

(17) Can you tell me who made up America First? It began actually in New Haven. There was a kind of Chicago-Yale axis. And Chicago became its greatest source of strength. http://www.pbs.org/wgbh/amex/lindbergh/filmmore/reference/interview/schlesinger06.html

Article by Gore Vidal:

"There is now a myth that the isolationists were pro-Hitler and anti-Semitic. This is nonsense. Practically every socialist in the country, starting with Norman Thomas, was an isolationist, while agrarian populists, like Senators Wheeler and Nye, tended to be wary of foreign wars and entanglements. Also, the only foreign power that we were hostile to--and feared--was Hitler's enemy, the Soviet Union, the exporter of godless and atheistic communism. America Firsters ranged from the historian Charles Beard to the young Kingman Brewster, not to mention a brilliant young football coach at Yale, Gerald R. Ford. The pro-German anti-Semites were at home in the German-American Bund, not in the America First Committee. Hitler's infamous final solution was not known as of 1940 and did not figure into the debate. As it turned out, no American majority ever favored American intervention in the European war. Had the Japanese not been inspired--or, perhaps, incited--to attack us, we might never have gone to war at all."
http://www.dce.harvard.edu/pubs/lowell/gvidal.html

(18) (Merger history at http://www.meyersdale.org/borailhistory.html). The Seaboard had been controlled by the uncle of the Duchess of Windsor for many years (genealogy http://www.rootsweb.com/~mdannear/firstfam/warfield/d417.htm#P423 and http://www.rootsweb.com/~mdannear/firstfam/warfield/d420.htm#P420).

(19) Groves sold 3,000 acres of his Bahamas real estate to a group of Florida investors in 1961, who in turn sold the land to the Mary Carter Paint Co. Mary Carter was a partner with Wallace Groves in the operation of the Bahamian Club casino until 1967, when it opened its Paradise Island casino, under the direction of casino manager Edward Cellini, whom the company inherited from its partnership with Groves. Cellini, it turned out, was the brother of a known associate of Meyer Lansky, the infamous mob kingpin. The transition from paint to gambling was a Lansky-inspired enterprise. It was accomplished through the activities of a General Development Corporation, run by two more Lansky fronts, Wallace Groves and Lou Chesler. The board of directors of the General Development Corporation included Lansky's stockbroker, Max Orovitz, and gangster "Trigger Mike" Coppola. General Development bought up half of Grand Bahama Island for later syndicate development and contracts with Nixon's law client, National Bulk Carriers, to build a harbor there.
http://www.shorecast.com/html/Features/Legends/legendresorts.html and
http://www.policestudies.eku.edu/POTTER/Module8.htm
http://www.policestudies.eku.edu/POTTER/Module8.htm

(20) http://heritage.dupont.com/touchpoints/tp_1918/depth.shtml and
http://www.tsha.utexas.edu/handbook/online/articles/view/YY/fyo12.html

(21) [Source: William L. Leary, Perilous Missions: Civil Air Transport and CIA Covert Operations in Asia (Univ. of Ala. Press, 1984), cited in Alan A. Block, Masters of Paradis: Organized Crime and the Internal Revenue Service in The Bahamas (New Brunswick, N.J.: Transaction Publishers, 1991). See also http://www.geographia.com/grandbahama/gbhistory04.htm]

(22) Pan Am had been created by Juan Trippe, a Yale graduate who had raised money from other Yale friends and merged three groups into the airline with flights from Key West, Florida to Cuba in 1927. He had also been involved with Colonial Air Transport which had an airmail contract between New York and Boston, and was also involved with the Flying Clippers with the first routes across the Pacific and Atlantic by the late 1930s. Trippe was a close friend of Charles Lindbergh, whose wife was the daughter of Dwight Whitney Morrow, a partner in the Morgan bank, who also was Ambassador to Mexico soon after U.S. holdings had been expropriated by President Calles. http://www.library.miami.edu/archives/panam/trippe.html and http://www.library.miami.edu/archives/panam/pan.html and http://www.nytimes.com/books/first/h/hertog-lindberg.html and http://obits.com/lindberghannemorrow.html

FOLLOW THE YELLOW BRICK ROAD: From Harvard to Enron
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FOLLOW THE YELLOW BRICK ROAD: FROM HARVARD TO ENRON

PART FIVE

by Linda Minor © 2002

The research I began into the career of Pug Winokur (whose resignation as chairman of Enron's finance committee and as director was delivered to Enron on June 6, 2002) has opened vistas of understanding I never anticipated. Following Winokur's connection to Zapata and to Penn Central, however, is helping to lay a path of bricks which is taking us ever closer to Oz--the invisible man behind the veil. The yellow-brick road is the historical path he took to establish his position of power. The only way to make him visible is to illuminate the path--to understand the history. We have to see the world whole in order to fix it. Oz operates a compartmentalized system where even the people involved in it do not fully understand how their individual roles fit into the overall scheme. It is therefore critical to connect all the bricks, to prevent participants in the scheme from rationalizing their complicity in the evil that has resulted from the control Oz exerts.

We often refer to Oz as the Octopus. We know there is a brain there and a body, but we get confused by all the tentacles waving about in every direction. If we can just understand that the tentacles are connected, and if we can see the pattern that produces each tentacle, we will be able to bring Oz into better focus. That is the purpose of this series which began with Pug Winokur's career; to develop a model by which each of us can understand the pattern. We have to come to terms with what Winston Smith understood in George Orwell's 1984--that the people who control our world today perpetrate war in the name of peace, they practice greed in the name of

charity, and they spout propaganda in the name of truth. We cannot accept religious, charitable and political institutions at face value because they were set up in order to deceive us. The proof is in the pattern.

Pennsylvania's Historical Connection to Slave and Opium Trade

One thing I have learned in this research project, as a result of trying to learn who benefited when the Penn Central Railroad was looted, is how central the state of Pennsylvania is to the birth and development of what is often called "The New World Order," otherwise referred to as one-world government. In this part of the series we find that Philadelphia's elite families have close ties to British banking families that were involved in the opium trade in China, that they have ties by marriage to the Astors who hosted the Round Table Group in England, which grew into the Council on Foreign Relations. We also discover interlocking friendships between the Astors, the Fabian Socialists and British intelligence operatives in the old Ottoman Empire who helped create the nations of Saudi Arabia and Iraq and fostered the rise of King Ibn Saud who granted oil concessions to a California oil company with roots in one of the original Standard Oil companies dissolved in 1911. We also learn of the relations between members of this group and attorneys and church ministers who acted as advisers to Andrew Carnegie and John D. Rockefeller and of the connection between those men and the Pennsylvania Railroad.

In addition, we will explore the possibility of whether profits from the Rhodes Trust (whose trustees comprised the Round Table) could have been invested, using J.P. Morgan associates as nominees, in strategic industries in Germany, Russia and other countries, acting as part of a consortium of investors. Such a consortium was in fact formalized by federal law into the American International Corporation (AIC), by a statute introduced almost simultaneously with the passage of the Federal Reserve Act. We know that agents of J.P. Morgan (the Rhodes Trust's agent in many American investments) and directors of the newly established New York Federal Reserve Bank exercised control over AIC from the beginning, but at this point we can only speculate about whose capital Morgan was investing--the true owners of the equity held in Morgan's name. Nor do we know whether the source of deposits in the New York Fed member banks emanated from the same syndicate operations. What we do know is that the goals of these bankers are contradictory to the ideals of American independence embodied in the U.S. Constitution. More specifically related to Penn Central history, we know that the Pennsylvania Railroad, dependent upon European investors who held its debt securities, was an investor in a consortium decades prior to the central bank's creation, specifically in regard to shipyards in the vicinity of Philadelphia, an investment which will link back to the Bush and Harriman network.

When Congress investigated the collapse of the Penn Central, they settled on David C. Bevan, Penn Central's Chairman of the Finance Committee and Chief Financial Officer from 1968-1970, as the chief culprit. Penphil, the secret investment company Bevan headed purchased stock in the same companies as the railroad, with loans from Chemical Bank New York Trust Company. 1 But Bevan did not appear to be motivate by self-interest. He came from a long tradition of Quakers, a sect which originated in Northern England among educated families during the civil war between the puritans and the Stuart royalists. This was the industrialized area of England, and Quakers were drawn from the class of craftsmen and tradesmen involved in steel and other industry. They acquired a reputation for honesty, which enhanced their standing in business, though they were alienated from society. After the Restoration, Quakers were denied access to the usual professional, business and employment opportunities open to an educated and literate group. Their business acumen and meticulous record-keeping evolved into banking, and four out of five of the Banks in existence in England of the 17th century were of Quaker origin, including Barclays, Lloyds, Gurneys and Backhouses, all of which had close connections by marriage.

The State of Pennsylvania had been originally chartered as a colony by William Penn, a Quaker, who encouraged settlement by dissenters from established religions, thus attracting English Quakers, German Amish and Mennonites and French Huguenots. Many of the English Quakers who came to Pennsylvania were connected to "banks" engaged in trade in the country districts of England, which were in turn connected to the City of London through correspondent accounts with bankers in Lombard Street and its vicinity. The country

banks just before 1900 amalgamated into Barclays Bank, a Quaker-owned bank. 2 For some reason Quaker businessmen seemed to have no moral aversion to the slave trade, as indicated in this quote from Capitalism and Slavery , by Dr. Eric Williams, who was a recognized historian and was also the Prime Minister of Trinidad and Tobago:

"Quaker nonconformity did not extend to the slave trade. In 1756 there were eighty-four Quakers listed as members of the Company trading to Africa, among them the Barclay and the Baring families. Slave dealing was one of the most lucrative investments of English as of American Quakers, and the name of slaver, The Willing Quaker, reported from Boston at Sierra Leone in 1793, symbolizes the approval with which the slave trade was regarded in Quaker circles. The Quaker opposition to the slave trade came first and largely not from England but from America, and there from the small rural communities of the North, independent of slave labour. 'It is difficult', writes Dr. Gray, 'to avoid the assumption that opposition to the slave system was at the first confined to a group who gained no direct advantage from it, and consequently possessed an objective attitude.'... 3

This conflicted heritage is the essence of Pennsylvania. Sons of these Quaker bankers had emigrated to America and were attracted to Pennsylvania. David C. Bevan, who allegedly designed the consolidation that wrecked the Penn Central, came from this background. Quaker immigrants created the first life insurance company in America (Presbyterian Ministers’ Fund)--in Philadelphia. Insurance contracts were reinforced by bonds drawn by Benjamin Chew, Esq., one of the first of the "Philadelphia lawyers," who was not only named Chief Justice of Pennsylvania, but also built an estate called Cliveden, at 6401 Germantown Avenue in Philadelphia, in the mid 1760s. It is likely that the name "Cliveden" was copied from the estate purchased in 1660 by the 2nd Duke of Buckingham, George Villiers, near London, which would be acquired many years later by the Astor family, who will be discussed later. At the time Penn acquired his land from Charles II, Villiers was a member of the Privy Council, also known as the Committee for Foreign Affairs, five men from whose names the acronym "cabal" was said to have originated. 4

Quakers owned the company called the Free Society of Traders, which purchased 20,000 acres in Penn's colony for resale. The founder and treasurer of this consortium was James Claypoole, whose descendants have been involved in Philadelphia ever since. Many of the ships which transported settlers from England were owned by the Barclay family, who were also heavily involved in transporting slaves, despite the later reputation that Quakers acquired. 5 Management of the Presbyterian Ministers’ Fund came to include the Bevan family of Quakers, trustees in Barclays Bank for centuries. In fact, the American Bevan family began with Matthew L. Bevan, born in Pennsylvania in 1777 to a Quaker family. He became a Presbyterian in 1849, joining a church in Philadelphia pastored by Dr. Jacob Janeway, a Presbyterian Ministers’ Fund board member. This fund was created in 1761 in Philadelphia, roughly the same year the Equitable Assurance Society was created in London. Matthew Bevan, a shipping merchant for the cotton handling firm of Bevan and Humphreys, which had contacts with Barings Bank of Liverpool, was named president of the Presbyterian Ministers Fund and director on the board of the Insurance Company of North America. An ICNA subsidiary was North America Land Company, created by Robert Morris, financier of the American Revolution. A trustee was John Barclay, whose family in England were partners with the Bevans. Another Philadelphia associate was Robert Ralston, shipping merchant in the China trade, director of the ICNA, and a founder and director of the Second Bank of the U.S. and of the Philadelphia Exchange. Ralston was therefore acquainted with fellow church member, Matthew L. Bevan, Presbyterian Corporation president in 1844, who liquidated the assets of the Second Bank of the U.S. These men created the framework for Philadelphia's financial and corporate institutions which played a crucial role in the operation of the Pennsylvania Railroad. [Source: Alexander Mackie, Facile Princeps: The Story of the Beginning of Life Insurance in America (Lancaster, Pa.: Lancaster Press, 1956).]

The Pennsylvania Railroad cannot be separated from the City of Philadelphia itself and from the historical institutions that are a part of that city. Philadelphia was the first capital of the United States. The chief financier of the American Revolution was Robert Morris, who had been born in the textile-trading port of Liverpool in 1734, and, after immigrating, moved from the Chesapeake Bay in Maryland to Philadelphia to serve as an apprentice to merchant Charles Willing, becoming a partner of Thomas Willing in 1754. The firm

became a contractor of a secret committee formed by the Continental Congress in 1775, to supply guns and ammunition for the war against the British. The Americans received both military assistance and loans from the French, and the war ended with America owing $25 million in war debts it could not pay. The French government would not extend any more credit and was concerned to have existing loans repaid. Those loans were renegotiated at a higher rate of interest. Morris renegotiated one loan after another, since repudiation would have meant bankruptcy.

Morris returned to Philadelphia, the Capital, and in 1781 was appointed Superintendent of Finance. He also started the Bank of North America (forerunner to the First Bank of the U.S.), created by an act of Congress, capitalized at $400,000 initially, $70,000 of which was subscribed by individual investors. Morris used $254,000 of the loan he obtained from France to subscribe the remaining shares to the government, making the U.S. government the principal stockholder. To repay the French loans, Morris proposed a land tax, a poll tax, an excise tax and a house tax to help generate revenue for paying debts, but the states would not agree. On January 24, 1783, facing an impossible situation, Morris told Congress he would resign. He returned to his shipping business. Among other things, he pioneered the China trade: his ship Empress of China was believed to have been the first U.S. ship to trade with China. He used his shipping fortune to buy land throughout the Union, and by 1795 had acquired over 6 million acres. His aim was to promote the development of farms and towns; however, wars in Europe reduced the flow of immigrants. The mortgages and taxes were more than he could pay. Creditors had him arrested, and he was sentenced to Philadelphia debtor's prison from 1798 to 1801. Humiliated and broke, he died on May 7, 1806. 6

The First Bank of the United States, chartered in 1791 by Alexander Hamilton to operate for the benefit of the new American anti-oligarchic system for which a revolution had just been waged, was destroyed by an opposing faction which plotted to murder Hamilton in 1804. The bank's charter did not expire until seven years after Hamilton's death, when it was liquidated and its branches sold to leading state banks. By this time Thomas Jefferson had been elected President and put Albert Gallatin, a Swiss banker, in charge of Treasury--who attempted to reduce the debt, by then $80 million. Instead, in 1803 the debt increased by $15 million as a result of the purchase of Louisiana from France. In 1802 Gallatin sold the government's stock in the First Bank of the U.S., which he was liquidating, to the House of Baring in London, using the funds received from Barings to pay an installment on the debt owed to the Dutch. In this transaction, Barings was acting on behalf of Stephen Girard, who will be discussed shortly. 7

Also in 1802, one of the sons of First Baron Francis Baring (chairman of the British East India Company and founder of Barings Bank) married a daughter of William Bingham, a Senator from Philadelphia. Bingham's wife was the daughter of Robert Morris' partner, Thomas Willing, and the firm had appointed Bingham as its agent in Martinique during the revolutionary war to run the British blockade to smuggle guns and ammunition to the U.S. army. Prior to the war Bingham had been British consul to Martinique, switching sides after independence was declared, thus amassing a huge personal fortune as a profiteer. He returned to Philadelphia in 1780 and served as a director of the Bank of North America. At his death in 1804 in Bath, England, he owned vast land holdings in the United States, including Maine and Pennsylvania, which were left in trust to his daughters--who married the second and third sons of Francis Baring, head of Barings Bank. Anne Louise Bingham married Alexander Baring, first Baron Ashburton. Maria Matilda Bingham married Alexander's Brother, Henry Baring of Cromer Hall. 8

The Pennsylvania land owned by Bingham upon his death was in the northern counties of the state. It was left to trustees--sons-in-law, Alexander Baring (afterwards Lord Ashburton) and Henry Baring, and three friends, Robert Gilmore, of Baltimore, and Thomas Mayne Willing and Charles Willing Hare, both of Philadelphia, who were eventually succeeded by Joseph Reed Ingersoll, and John Craig Miller, and three of Mr. Bingham's grandsons, William Bingham Baring (Lord Ashburton), Francis Baring, and Henry Bingham Baring. Through this trust, therefore, the lands came under the management of Barings Bank, as well as other family connections of the trustees. For example, The Willing family was related by marriage to the Astors, to White Russian royal émigré, Serge Obolensky, and to the Hare family, closely connected to the University of Pennsylvania. 9

The Philadelphia trustees' relationship to Barings Bank also connects them to the Harvard-related opium smugglers. Joshua Bates, a protégé of Newburyport, Mass. opium trader Thomas Handasyd Perkins, moved to London to work in the office of William Gray & Co., the largest ship-owners in America, by whom Bates was later sent to London in charge of their European business, and in 1826 entered into a partnership with Thomas Baring's son. He joined Barings Bank two years later, eventually rising to head the bank. Bates was married to the daughter of Samuel Sturgis, whose nephew Russell Sturgis went to work for the London bank in 1851 and also rose to head the bank. The Sturgis family were heavily involved in the China opium trade and were intermarried with the Perkins clan, which would later merge with Russell & Co. (Click. Part 1 and Click. Part 2)Another Philadelphia connection comes from Henry Sturgis Drinker, connected to the eminent Philadelphia law firm, Drinker, Biddle & Reath, which represented the Pennsylvania Railroad. The Sturgis family was also intermarried with the Ingersolls, connecting them to the Bingham trust and to Barings. 10

The sister of Alexander and Henry Baring was Dorothy Elizabeth Baring, who married Rt. Hon. Henry Labouchere, first Baron Taunton, president of the British Board of Trade from 1839 to 1841, who will be mentioned again below. The Baring family, after financing the opium wars for the British government, had increased their fortune in the slave trade before the American Civil War, in which they sided with the Southern cotton plantations. The cotton and slave trade were the mercantile domain of the families who also ran the opium trade in the Orient, such as the Sutherlands and Mathesons. The Barings also founded the Peninsular & Oriental Steamship Co. to transport the opium and became the largest foreign investor in American clipper ship production.

Another bank allied with Barings in the Civil War was the Baltimore firm of Alex. Brown & Sons, which had begun as a linen trader in Ireland. One of Brown's sons, John A. Brown, had created a branch of their bank in Philadelphia in 1818, which a century later would merge with W.A. Harriman & Co. Because of the importance of cotton to the Southern economy, the wealthy planters and merchants in the South, and the bankers who financed their trade, were very closely tied to Britain. George H. Walker, who helped the Harrimans set up their investment bank, worked for his family, which owned Ely, Walker & Company Dry Goods and Walker Textiles, which owned numerous cotton mills, as well as a shirt factory in Post, Texas, later sold to Burlington Industries. More will be mentioned about Brown Brothers Harriman later in this article.

The First Bank of the United States, chartered by Alexander Hamilton in 1791 to operate for the benefit of the new American anti-oligarchic system for which a revolution had just been waged, was destroyed by an opposing faction allied to Aaron Burr (founder of the Manhattan Company, a "bank" that would later be controlled by the Warburgs) which plotted to murder Hamilton in 1804. The bank's charter did not expire until seven years after Hamilton's death, when it was liquidated and its branches sold to leading state banks. Much of the bank's stock had been purchased by Stephen Girard who immigrated to Philadelphia from Bordeaux, France. Girard soon became Philadelphia's major shipping merchant in the West India trade. He had left ships and cargoes in France which he wished to consolidate with his American holdings, but the embargo imposed by Jefferson prevented him from legally bringing back the ships and cargoes, forcing him to sell his assets in Europe. He invested the proceeds in stock of the First Bank of the United States. The risk was that he could not be certain that the bank charter would be renewed, though the shares provided for a liquidation value. Girard was assisted by an agent, who also employed his own agent, Baring Brothers, to purchase the shares for Girard's benefit once the proceeds had been transferred to London. At that time, prior to 1812, Girard was Barings' largest client. Girard also bought the building which housed the bank, and he reopened the bank under state charter as Girard's Bank.

When the United States went to war against Great Britain in 1812, the war was financed by government bonds issued by the U.S. government and purchased by Girard. After the war, Girard encouraged the charter for the Second Bank of the U.S. in 1816. In 1823 Nicholas Biddle, who had been trained in France was appointed by President Monroe to head the bank. According to author Eustace Mullins, James Rothschild of Paris was the principal investor in the bank, and in 1835 the House of Rothschild had become financial agent for the U.S.

Government, replacing Barings. 11 When Girard died in 1831, he bequeathed to the Commonwealth of Pennsylvania $300,000 and to the City of Philadelphia, cash and real estate amounting to over $6,000,000. Girard's will was extremely detailed and lengthy; the bulk of his estate was for the establishment of "a permanent College." Girard put his estate in the control of William J. Duane, who won a court battle to control the estate for the benefit of the public. Another trustee was Thomas Pym Cope, a Quaker merchant engaged in shipping, whose wife was Mary Drinker. A trust fund for Girard College was established, with Nicholas Biddle as Chairman of the Board.

In 1837, Biddle, using Girard's funds, sent Alexander Dallas Bache to Europe for two years, to study European education. Bache, age 25, and his cousin Franklin Bache were the leading descendants of Benjamin Franklin in Philadelphia. Alexander Bache had served in the Army Corps of Engineers for three years, teaching at West Point and helping construct Fort Adams in Newport, Rhode Island. From 1828, Bache was professor of natural philosophy and chemistry at the University of Pennsylvania, until in 1836 Nicholas Biddle made him President of the projected Girard College and sent him to Europe. Under German guidance, Bache headed a scientific and intellectual group whose goal was national development, with assistance from industrial leaders grouped around the Pennsylvania Railroad. In 1843, Bache was appointed Superintendent of the U.S. Coast Survey. The circle of friends and colleagues with which Bache associated came to refer to themselves informally in the 1850's as the "Florentine Academy" and then the "Lazzaroni." By the time of the Civil War, the Lazzaroni group dominated Harvard and Yale Universities, the U.S. Navy, and all American science. (Florence, Italy had been the cradle of the European Renaissance--where the belief in universal education, and the creation of an enlightened society in which all mankind can share, was engendered.)

Meanwhile, the Second Bank being run by Nicholas Biddle was under attack. The cry in 1831 had been that Biddle's Bank was "undemocratic," that it did not allow "private enterprise" and "the little man" room to participate in finance--a philosophy espoused by President Andrew Jackson, a tool of British bankers--Brown Brothers and Prime, Ward and King (agents for Barings, the bank which laundered the profits coming to the British government from the opium trade in China). The bank would be totally destroyed by 1841, while the first Opium War was being fought in China, and the United States was gearing up for war against Mexico. Nicholas Biddle died in 1844. Once a person dies, of course, no matter how well he may design the legal framework to control the administration of the wealth he leaves behind, there are always vultures who can get around the spirit of the donor's legacy. That is what happened in 1869 to the system Girard had supported with his bequests, as well as to his associates that fought for that system.

The control of the Girard and other charitable trusts left to the City of Philadelphia, fell to a board appointed by the State of Pennsylvania by Act of Assembly of June 30, 1869. Such boards can easily be controlled by men without integrity who are willing to bribe state officials or provide them with the funds to win elections. A valuable research project would be to study the history of the Philadelphia City Trusts to see who has been appointed to sit on the board for the last 133 years. 12

By manipulating political and economic divisions within the United States, the European banking oligarchy--operating best through secret occult societies like Skull and Bones, the Rosicrucians, the Order of the Golden Dawn, and even the Scottish Rite and other forms of Freemasonry-- 13 embroiled these factions into the Civil War, resulting in economic devastation and a drastic need for capital to rebuild. By purchasing the debt securities issued for reconstruction of destroyed infrastructure, the old banking families by 1870 had seized control of the American economic and political system. Alexander Bache died in 1867. Two years later his group of loyal Americans in Philadelphia, together with the institutions they operated on behalf of the American system--the universities, the Navy, and American science--would begin its decline when the management of the trust funds was captured. Even the Biddle family would be targeted for control by a foreign-oriented faction when members of that family made ties by marriage with such notable families as the Drexels and the Dukes--who pursued a strong interest in eugenics and breeding--and who had investment ties with Europeans. The American Philosophical Society (APS), originally founded by Benjamin Franklin, would eventually concern itself not with universal improvement of humanity, but with the same interest in genetic research that fascinated

Hitler's scientists, evidenced by a major collection for the fascist American Eugenics Society at the APS historical website. 14

Elite Philadelphia Families Tied to Global Agendas of Old World Wealth

The house of Drexel & Co. was founded in 1837 by Francis Martin Drexel, an Austrian, born in Dornbirn, Tyrol in western Austria near Switzerland and Liechtenstein, who arrived in the U.S. in 1817, one year before a branch of Brown Brothers opened in Philadelphia. Associated with him were his sons Francis Anthony, Anthony Joseph, and Joseph William. Francis Anthony Drexel, who married Emma Bouvier (the sister of John Bouvier, Jacqueline Kennedy's great grandfather), in 1863 became the senior member of the firm. 15 He forged an alliance in 1871 with Junius Morgan's son, J. Pierpont, to allow Drexel to tap into the lucrative European market for American bonds. Drexel's place of birth was the province controlled by the German merchant prince family of Fugger, who built the Fuggerei "poor house" in Tirol, and whose wealth had enabled them to make large loans to the German king, Maximilian I. 16 It was the debts to the Fuggers that resulted in the British Crown's being given to William and Mary from Amsterdam, who chartered the Bank of England in 1694. It is not known whether Drexel had connections to the descendants of this wealthy German family. The new firm--established in New York--became Drexel, Morgan & Co., and another firm, called Drexel, Harjes & Co., was in Paris. Anthony married Ellen Roset and had three sons and four daughters, one of whom, Emilie, married a Biddle. In 1891 Anthony Drexel founded, and endowed with $2,000,000, the Drexel Institute of Art, Science and Industry in Philadelphia, now Drexel University, and died at Karlsbad, Germany, in 1893.

Emilie Drexel Biddle's grandson, Andrew Joseph Drexel Biddle, Jr., after his first marriage to Mary Duke of the North Carolina tobacco family ended in divorce, married the daughter of William Boyce Thompson, a graduate of Phillips Exeter and Yale (also Skull and Bones), who controlled an American mining empire. Thompson is a very important player in the story of the American International Corporation, discussed later in this article. In his book, The Duchess of Windsor, Charles Higham mentions that the Duchess was a good friend of A.J. Drexel Biddle, Jr. and his wife, Margaret, having met with the Biddles on at least two occasions: (1) in 1940 aboard ship, when the Windsors left Portugal to take up the appointment as Governor of the Bahamas, where they entertained the Biddles and U.S. Ambassador to Italy William Phillips (of Massachusetts), at dinner; and (2) in 1951 the Windsors stayed with the Biddles in London while King George was having throat surgery.

A.J. Drexel Biddle, Jr. was appointed as Ambassador to Poland in 1937, just as World War II began to break out, and fled from one place to another to avoid the invading German Army, ending up in Paris, where he also served as Deputy Ambassador to France. It was in Paris that the Biddles became close friends with the Windsors, who stayed for a considerable length of time in the home of Baron Eugene Rothschild and his wife Kitty. During that time, according to Charles Higham, their "greatest friend in Paris that year was Ambassador William Bullitt ... a tacit Nazi sympathizer who was so fanatically bent upon war with Russia that he was prepared to support every kind of Fascist movement in Western Europe....He was a man after the Windsors' own heart. He schemed against the popular front and collaborated with the so-called 200 Families, which in the words of George Seldes, 'turned out to be the French Fifth Column.' " (The Duchess of Windsor, p. 276). From a reading of the various diplomatic communiqués, however, it appears that Bullitt was more motivated by financial and economic concerns than by mere politics. 17

While serving as Ambassador to Moscow, Bullitt (from an "old," elite Philadelphia family) met Louise Bryant (they married in 1923), who had formerly been married to John Reed, organizer of the American Communist Party. 18 The Bullitts had one daughter, Anne Moen Bullitt, who according to Bullitt's listing in Who's Who 1954, married Nicholas Benjamin Duke Biddle, son of A.J. Drexel Biddle, Jr. and his wife Mary Duke (married 1915, divorced 1931), and a nephew of Doris Duke, heiress to American Tobacco Co., the Duke Power Co. and real estate investments. It seems very strange, however, that the listing for A.J. Drexel Biddle, Jr. in the same volume of Who's Who does not mention his marriage to Mary Duke, nor the birth of any children. Bullitt had married Ernesta Drinker in 1916, but they divorced in 1923 without children. A lawyer named William C. Bullitt, born in Bryn Mawr in 1946, is now a partner at Philadelphia's Drinker, Biddle & Reath in the personal

and fiduciary law department, as well as being a board member for Philadelphia County. He is not listed as the son of Ambassador Bullitt in the 1954 Who's Who. 19

Reed appears to have been a tool of the "left wing" forces of the Syndicate. He went to Russia during the Bolshevik revolution as a reporter for a magazine owned by Harry Payne Whitney, then a director of Guaranty Trust. Harry's sister, Dorothy, married Thomas Lamont's protégé, Willard Straight, who re-negotiated loans for J.P. Morgan & Co. at Mukden in Russia and Manchuria the decade before the Russian revolution. The Paynes were heirs of one of Rockefeller's partners in the Standard Oil trust. Dorothy and Harry's brother, Payne Whitney and his wife Helen Hay, were the parents of Joan Whitney Payson and John Hay "Jock" Whitney--a graduate of Yale (Skull and Bones) and Oxford. Jock, an investment banker and member of the syndicate we have described in earlier parts of this series, was Ambassador to Great Britain from 1957 to 1961. It is interesting as well to note that Lamont, while serving as a financial expert at the Versailles negotiations in 1919 had met Lord Robert Cecil, whom he later hosted in New York while Cecil and Philip Noel-Baker were promoting the League of Nations; Lamont was a member of the League of Nations Association and the Foreign Policy Association. 20

Bullitt was part of Col. House's delegation to the Paris Peace Conference, serving as chief of the division of current intelligence. He first visited Russia in 1919 at the behest of Col. House, to whom he sent reports back, and, after meeting with Lenin, he carried a proposal from the Bolsheviks to Versailles, by which Lenin agreed to confine Soviet rule to central Russia and to release claims to all outlying provinces. When Wilson allowed Lenin's proposal to lapse, Bullitt resigned from the foreign service while denouncing the treaty. Sigmund Freud, who co-authored a psychological biography of Wilson with Bullitt, considered this "the most important single decision that he [Wilson] made in Paris." 21 Bullitt returned to a diplomatic role when Roosevelt, secretly being advised by Col. House, made him special assistant to Secretary of State Cordell Hull. He then served as the executive officer of the American delegation at the London Monetary and Economic Conference of 1933. In the fall of that year Bullitt was deeply involved in the negotiation of the Roosevelt-Litvinov Agreements, which established diplomatic ties between the United States and the Soviet Union. His appointment as the first ambassador to Moscow was announced immediately after the signing of the agreements. He left Moscow in 1936 and became Ambassador to France from 1936-41. From June 1942 to July 1943 Bullitt was a special assistant to the secretary of the navy. In 1944 he joined the French army while retaining American citizenship, and was a foreign correspondent for Life magazine to report on conditions in Italy, which had just fallen to the Allied troops. Bullitt placed a great importance on "the papacy as an institution and on the reigning pontiff." 22

In 1941 A.J. Drexel Biddle, Jr. was named U.S. Ambassador to Belgium, Czechoslovakia, The Netherlands, Norway, Poland, Greece, Luxembourg, and Yugoslavia, whose governments were in exile in London. This extraordinary posting was termed at the time the biggest and in some ways the most important diplomatic mission ever handled by a single envoy. Biddle retired from the diplomatic corps in 1944 to resume active duty in the Army as a Lt. Colonel, rising to the rank of Brigadier General in 1951. During those years he worked closely with General Eisenhower as deputy chief of Supreme Headquarters, Allied Expeditionary Force (SHAEF) and as a representative to United States European Command (EUCOM) and Supreme Headquarters Allied Powers Europe (SHAPE). 23 The 1950s found Biddle serving as Adjutant General of the State of Pennsylvania, on numerous Pennsylvania state boards and commissions, and as a trustee at Temple University. In 1961 President John F. Kennedy chose Biddle for his last diplomatic position, that of Ambassador to Spain, where he served until his death. It is fascinating to note that between the years 1955 and 1968, the ambassadorship of Spain was held by a Lodge, a Forbes and two Biddles. What could that signify? The Forbes and Lodge families, through intermarriage with Cabots, long-standing trading partners with Spanish merchants, had been global merchants for centuries, involved in trade in both slaves and opium. (Click. Part 1) Spain became a fascist haven, along with Argentina, for many Nazis fleeing Germany at the close of World War II. The Nazis had been allied with Catholics in Croatia, who turned to both the Swiss and to the Vatican to assist them in rescuing gold and other treasures looted from murdered Jews. 24

Over several generations, the Drexel family have become very close to the British royal family, with John R. Drexel IV being currently the Chancellor of the American Society of the Most Venerable Order of St. John--formerly known as the Grand Priory in the British Realm of the Most Venerable Order of the Hospital of St. John of Jerusalem, formed in 1831 by some French Knights of Malta, who intended to set up a non-Catholic priory in England. This priory was designed along the lines of the German Bailiwick of Brandenburg and of a short-lived Russian Orthodox Grand Priory, which was in existence for a few years around 1800. The English priory was incorporated by royal charter from Queen Victoria in 1888. Chancellor Drexel, who was installed by the Grand Priory (Prince Richard, Duke of Gloucester, a cousin of Queen Elizabeth), is married to Noreen Stonor Drexel--from a fragment of English gentry and nobility which stubbornly maintained its Catholic faith through severe persecution during the Reformation. Their family's manor house located southeast of Oxford secretly conducted Catholic worship despite the prohibition. Mrs. Drexel's nephew is the seventh Baron Camoys (Ralph Stonor), the first Catholic to serve as the Queen's chief of staff, or Lord Chamberlain, since the reign of Henry VIII. 25

The Drexels are connected by marriage to the Astor family which was instrumental in combining the American and British elites into the Round Table group which administered the estates of Cecil Rhodes and Albert Beit, mentioned in Part Three. William Waldorf Astor's wife was Mary Dahlgren Paul from Philadelphia. The couple lived in Rome from 1882 to 1885 while Astor was US ambassador to Italy. Mary Paul Astor's brother married her husband's sister. [Source: John D. Gates, The Astor Family: A Unique Exploration of One of America's First Families (Doubleday, 1981), p. 103] Later generations of the Pauls reflect intermarriage with the Delano family--whose members are intermarried with Astors and Roosevelts. This reaffirms the fact that there was a strong link between London and Philadelphia and that an alliance was created by these intermarried drug-running families. 26

British Empire's Gold and Opium Profits Invested by Barings, Propped Up by
N.M. Rothschild, & Reinvested in Oil

Numerous authors have reported that John Jacob Astor made his first fortune in the fur trade, then in shipping, "competing with the Boston Brahmins for a lucrative slice of the infamous opium trade with China." 27 Profits were invested in New York City real estate. Astor's grandson, William Waldorf Astor left New York, and with his fortune acquired the country estate known as Cliveden from the Duke of Westminster. He gave this property to his son, Waldorf, upon his marriage in 1906 to Nancy Langhorne from Virginia. The younger Astors became hosts at Cliveden for private discussions among intimate friends who had recently returned from the Union of South Africa, where they had been civil servants on the staff of Lord Milner, governor-general of South Africa, during 1897-1905. Milner's staff were recruited from Oxford University and from the experimental settlement house set up by his friends called Toynbee Hall in London. Under Milner in South Africa, they were known as "Milner's Kindergarten," and were committed to creating a federally united commonwealth along the lines outlined in the trust created by Cecil Rhodes' will. Rhodes, also a student at Oxford's Oriel College from 1873-81, was a devoted fan of John Ruskin (an Oxford lecturer who talked about fine arts, the empire and England's downtrodden masses--as moral issues), and with other disciples of Ruskin formed a secret society in 1881.

Rhodes' biggest critic was M.P. Henry Labouchere, mentioned above, who owned the newspaper Truth, and whose parents were Peter Caesar Labouchere and Dorothy Elizabeth Baring, making him the cousin to the Philadelphia Binghams. Henry’s brother, John Peter Labouchere, became a banker in a partnership formed in 1826 from an old established private bank in London. After a merger with Glyn, Mills, this bank would become Williams & Glyn’s Bank (1970-1985), later The Royal Bank of Scotland (1985-86). The Royal Bank has had longstanding ties to the investment entities that financed George Bush's early enterprises--Bush-Overbey and Zapata. (Click.)

The Laboucheres were French Huguenots, who had lived in Amsterdam before settling in England. Their merchant father was a partner in the wealthy Amsterdam banking firm of Hope & Company, which had

connections to the Scottish ancestor of the earls of Hopetoun, created marquesses of Linlithgow. The seventh Earl, John Adrian Hope, was Lord Chamberlain to Queen Victoria. In about 1800, difficulties with Napoleon had led Hopes of Amsterdam to remove their base to London. Henry Labouchere became a strong critic at the end of the century of Cecil Rhodes in South Africa at about the same time Barings Bank was failing as a result of its overextension in Argentina and Uruguay. John Labouchere took over his father's role as a banker with Hope & Co. of Amsterdam, which by 1814 had been wholly merged into Barings after first Baron Ashburton, a Bingham cousin, took an interest in it. He later became a partner in the bank of Williams, Deacon, Thornton and Labouchere, which was taken over by the Royal Bank of Scotland in 1929. 28

After the South American failure in 1890, Rothschilds negotiated on Barings' behalf a gold loan of 3 million pounds sterling from the Bank of France against Treasury bills, and the Bank of England obtained half that sum from Russia to ensure that the gold reserve ratio would not be violated. In 1906 and 1907, again faced with financial stringency, Barings once more obtained foreign assistance from the Bank of France and, this time, from the German Reichsbank. In 1909 and 1910 the Bank of France again discounted English bills, making gold available to London. Although it was the end of Lord Revelstoke's career and the partnership was wound up, the bank survived as Baring Brothers & Co. Ltd, with a paid-up capital of 1 million [pounds sterling]. Since the individual partners were responsible for all its debts, all the Baring family assets had to be liquidated. Barings as bankers survived, but had lost their nerve, resulting in a new demeanor which made Barings the perfect City of London representative of the British establishment. John Baring, the second Lord Revelstoke, soon took his place on the court of the Bank of England - its board of non-executive directors - and became the closest financial adviser to George V, a link between the bank and the monarchy that would remain unbroken until Baring failed once again in 1995.

When the second Lord Revelstoke died in 1928, the succession at the bank was divided between an outsider, a Canadian named Edwin Peacock, and Edward Reid, a Revelstoke nephew. Caution by now had become a way of life. Reid and Peacock were both knighted for their loyalty to the City and to Barings. Ever since 1891, the bank's equity capital had been held by a partnership of the bank's directors. When a director retired, his share passed to his successor. But if a partner were to die suddenly in office, his liability for death duties would mean a value had to be put on the shares, and ruinous death duties might force the dead director's estate to put his Barings shares on the market. Anyone might then buy them. Cromer's solution was to give the directors voting shares that paid no dividends, and to transfer 74 per cent of the equity to the Baring Foundation, set up to carry out "good works". In 1986 the remaining 26 per cent of the shares was also transferred to the foundation. 29

Empire Perpetuated by Rhodes Trust and Its American Sycophants--Set Up and Maintained in Philadelphia

The Astors' Cliveden Estate would become the centre of a network of highly influential individuals, all fired with the desire to do good in the world. 30 According to Elizabeth Langhorne, in Nancy Astor and Her Friends (Praiger Publishers, 1974), Nancy Astor "felt a religious element in the Round Table idea. The ideal animating federation was the dream of brotherhood, of closer union between nations based on cooperation rather than on coercion....For both Astors the Round Table opened new vistas, new channels of action. For the first time Nancy found excitement in foreign affairs." (p. 48). The author states that around 1909 the couple fell under the "spell" of Philip Kerr, who would later become Lord Lothian, who had himself "acquired a belief in federal union that virtually amounted to a religion." Though Roman Catholic, Kerr later converted to Christian Science, Nancy's religion, after her prayers for his healing during a deadly illness.

Another of Nancy's very close friends, with whom she corresponded for many years, was T.E. Lawrence, better known as Lawrence of Arabia, who was introduced to her by George Bernard Shaw, a frequent guest at Cliveden, who also was a Fabian Socialist and member of the "Bloomsbury Set." 31 Lawrence may well have been an agent secretly working for the Round Table Group, since he was so close to many of its members. The Group may have had investments in the consortium that would become Aramco and would have needed one or more intelligence operatives to make sure the oil concession would be granted. Another operative of the same group could have been Harry St. John Bridger Philby (1885-1960), who went to the Middle East during World

War One as a member of the British Foreign Service and for 30 years was an adviser to King Ibn Saud. Philby allegedly became disenchanted with the way Britain handled the Arabs and resigned in 1930, became a Muslim, and took the name of Hajj Abdullah.

Like Philip Kerr and Nancy Astor, Cecil Rhodes also had an intense fervor about the British Empire, which he had first acquired at Oxford, after hearing a speech by John Ruskin, which motivated him to become wealthy in Africa and donate all his assets to his dream of re-establishing the empire. Rhodes wrote several wills, but the one which took effect at his death entrusted his estate to a board of trustees including the Earl of Rosebery (son-in-law of Lord Rothschild), Earl Grey, Lord Milner and Sir Leander Starr Jameson. Settled in 1907, the estate was valued at almost 3.5 million pounds. By 1924 the value had dropped to 2.276 million pounds, and at that point the investment portfolio was placed with Baring Brothers, who continued to administer the fund for many decades thereafter. By the end of the 1995-96 financial year, the assets were valued at more than 145 million pounds. Strangely, this is the year Barings Bank failed, allegedly because of the actions of Nick Leeson, but no mention is made of what happened to the trust fund. This information was obtained from a website maintained by The Rhodes Trust, and the Indian Rhodes Scholarships Selection Committee. 32

Examining these trustees will give you an eye-opening glimpse of today's British Empire. For example, the Rhodes website mentions that the current trustees include:

(1) Lord Armstrong of Ilminster--a civil servant all his life who happens to served as "non-executive director" on boards of companies that are the epitome of the British Empire: N.M. Rothschild & Sons Limited, the "Shell" Transport and Trading Company p.l.c., B.A.T. Industries p.l.c. and the RTZ Corporation PLC.

(2) Lord Sainsbury of Preston Candover--heir to the British grocery chain engaged mostly in overseeing funds set up to endow "the arts," in 1993 he also co-founded with Lord Rothschild the Butrint Foundation in the Balkan state of Albania. Could it just be a coincidence that in 1993 Saudi Arabia happened to build a refugee camp for Bosnian Muslims in Albania? Three years later the US Drug Enforcement Agency (DEA) detailed the Balkan Route in its annual report. By 1998, the DEA stated that Kosovo Albanians had become the second most important traffickers on the Balkan Route. Is this a coincidence, or is this the way the British Empire is really funded? 33

(3) Sir Richard Southwood--Professor of Zoology at the University of Oxford and Chairman of the National Radiological Protection Board; previously Chairman of the Royal Commission [on] Environmental Pollution; Vice-Chancellor Designate of Oxford University. Southwood is supposedly a world expert on animal infection who headed the first Government inquiry into BSE in 1988, but who did not warn of the threat to humans until 1996.

(4) Rt. Hon. William Waldegrave (now Lord Waldegrave of North Hill)--has worked at Dresdner Kleinwort Wasserstein, where he is a Managing Director in the Investment Banking Division, since 1998. He is also a non-executive Director of Bank of Ireland UK Holdings plc, Finsbury Life Sciences Investment Trust plc, Henry Sotheran Ltd, and Waldegrave Farms Ltd. Chairman of the National Museum of Science and Industry and Chairman elect of the Rhodes Trust; Chairman of the Bristol Cathedral Trust; a Trustee of the Beit Memorial Fellowships for Medical Research and a Council Member of the Institute of Contemporary British History, University of London. He is Fellow of All Souls College, Oxford.

(5) Dr. Colin Lucas--born in 1940 at Cairo, Egypt, he did his undergraduate and postgraduate work at Lincoln College, Oxford. He was a Fellow and Tutor in Modern History at Balliol College, Oxford (1973-90) and Professor of History and then Dean of the Division of the Social Sciences at the University of Chicago (1990-94). He became Master of Balliol College in 1994 and is currently Vice-Chancellor of the University of Oxford (1997-2004). He has also been a Visiting Professor at the University of Lyon-II, Indiana University and Cornell University. His field is history, specifically the French revolution, and his major interest is terror--

revolutionary and popular violence, the causes of revolution and practices of democratic politics in situations of stress.

(6) Professor Robert O'Neill--"eminent Australian strategic thinker" who is Chichele Professor of the History of War at All Souls College, Oxford University. He was a member of the 1996 Canberra Commission on the Elimination of Nuclear Weapons, along with Professor Joseph Rotblat, the winner of the 1995 Nobel Prize for Peace, Michel Rocard, the former Prime Minister of France, Robert McNamara, the former United States Defense Secretary and President of the World Bank, General George Butler, the former Commander of the United States Strategic Air Command, Dr. Maj. Britt Theorin, former President of the International Peace Bureau, Field Marshal the Lord Carver, the former Chief of the British Defence Staff.

The information set out with reference to the above trustees was gleaned from a cursory internet search, which anyone can do. For that reason, no sources are shown. These men are idealists in the mold of the original Round Table. The best source about the Round Table is Professor Carroll Quigley, whose two books about the group, THE ANGLO-AMERICAN ESTABLISHMENT and TRAGEDY AND HOPE can still be found. The following is an excerpt from Tragedy and Hope:

The Round Table Groups were semi-secret discussion and lobbying groups organized by Lionel Curtis, Philip H. Kerr (Lord Lothian), and (Sir) William S. Marris in 1908-1911. This was done on behalf of Lord Milner, the dominant Trustee of the Rhodes Trust in the two decades 1905-1925. The leaders of this group were: Milner, until his death in 1915, followed by Curtis (1872-1955), Robert H. (Lord) Brand -- brother-in-law of Lady Astor -- until his death in 1963, and Adam D. Marris, son of Sir William and Brand's successor as managing director of Lazard Brothers bank. The original intention had been to have collegial leadership, but Milner was too secretive and headstrong to share the role. After Milner's death in 1925, the leadership was largely shared by the survivors of Milner's 'Kindergarten', that is, the group of young Oxford men whom he used as civil servants in his reconstruction of South Africa in 1901-1910. The original purpose of these groups was to seek to federate the English-speaking world along lines laid down by Cecil Rhodes (1853-1902) and William T. Stead, (1840-1912), and the money for the organizational work came originally from the Rhodes Trust. Money for the widely ramified activities of this organization came originally from the associates and followers of Cecil Rhodes, chiefly from the Rhodes Trust itself, and from wealthy associates such as the Beit brothers, from Sir Abe Bailey, and (after 1915) from the Astor family.

Since 1925 there have been substantial contributions from wealthy individuals and from foundations and firms associated with the international banking fraternity, especially the Carnegie United Kingdom Trust, and other organizations associated with J.P. Morgan, the Rockefeller and Whitney families, and the associates of Lazard Brothers and of Morgan, Grenfell, and Company. The chief backbone of this organization grew up along the already existing financial cooperation running from the Morgan Bank in New York to a group of international financiers in London led by Lazard Brothers. Milner himself in 1901 had refused an offer, worth up to 100,000 a year, to become one of the three partners of the Morgan Bank in London, in succession to the younger J.P. Morgan who moved from London to join his father in New York (eventually the vacancy went to E.C. Grenfell, so that the London affiliate of Morgan became known as Morgan, Grenfell, and Company). "

Instead, Milner became director of a number of public banks, chiefly the London Joint Stock Bank [which was the London agent for currency boards in the British colonies and for chartered companies like the British East India Company. This London bank also acted for many years, after 1877, as a lender, as well as London disbursement agent for the Pennsylvania Railroad, though the railroad hired a general agent to live in London to deal with shareholders there. The bank subsequently merged with Midland Bank and more recently with the Hong Kong Shanghai Bank--both of which have long been involved in laundering of opium profits. 34]

He became one of the greatest political and financial powers in England, with his disciples strategically placed throughout England in significant places, such as the editorship of The Times, the editorship of The Observer, the managing directorship of Lazard Brothers, various administrative posts, and even Cabinet

positions. At the end of the war of 1914, it became clear that the organization of this system had to be greatly extended. Once again the task was entrusted to Lionel Curtis who established, in England and each dominion, a front organization to the existing local Round Table Group. This front organization, called the Royal Institute of International Affairs, had as its nucleus in each area the existing submerged Round Table Group. In New York it was known as the Council on Foreign Relations and was a front for J.P. Morgan and Company in association with the very small American Round Table Group. The American organizers were dominated by the large number of Morgan "experts", including Thomas Lamont and Louis Beer, who had gone to the Paris Peace Conference and there became close friends with the similar group of English "experts" which had been recruited by the Milner group. In fact, the original plans for the Royal Institute of International Affairs and the Council on Foreign Relations were drawn up at Paris. Closely allied with this Morgan influence were a small group of Wall Street law firms, whose chief figures were Elihu Root, John W. Davis, Paul D. Cravath, Russell Leffingwell, the Dulles brothers and, more recently, Arthur H. Dean, Philip D. Reed, and John J. McCloy. Other non-legal agents of Morgan included men like Owen D. Young and Norman H. Davis. In England the center was the Round Table Group, while in the United States it was J.P. Morgan and Company or its local branches in Boston, Philadelphia, and Cleveland....

One of the most interesting members of this Anglo-American power structure was Jerome D. Greene (1874-1959). Born in Japan of missionary parents, Greene graduated from Harvard's college and law school by 1899 and became secretary to Harvard's president and to Harvard Corporation in 1901-1910. This gave him contacts with Wall Street which made him general manager of the Rockefeller Institute (1910-1912), assistant to John D. Rockefeller in philanthropic work for two years, then trustee to the Rockefeller Institute, to the Rockefeller Foundation, and to the Rockefeller General Education Board until 1939. For fifteen years (1917-1932) he was with the Boston investment banking firm of Lee, Higginson, and Company [a Harvard-connected money-laundering bank involved in the China opium trade], most of the period as its chief officer, as well as with its London branch. As executive secretary of the American section of the Allied Maritime Transport Council, stationed in London in 1918, he lived in Toynbee Hall, the world's first settlement house, which had been founded by Alfred Milner and his friends in 1884. 35

Wolves in Sheep's Wool

The problem with idealistic do-gooders is that "feeling" good and "appearing" good are often more important to them than actually "being" good. Were that not true, such people would have difficulty rationalizing the fact that the money they are using to do good works comes from tainted sources. Whether they never question the source of the funds they administer, or whether they know and yet tell themselves the end justifies the means, it makes no real difference. The fact remains that they cover up the truth about how money works in the world, and they do so to allow themselves to believe that, by using the money, they have a part in bringing about peace and justice and in helping the "ignorant masses of humanity" to have a better life. It is the utmost in arrogance and conceit. It perpetuates the most abominable evil--what M. Scott Peck labels "People of the Lie". 36 By all appearances, the intentions of the bureaucrats and administrators who work for the one-worlders are good. They claim to believe in world peace, the ability to negotiate and arbitrate international disputes, and they espouse a belief in education and medical research to improve the station of all mankind. However, the original designers of the system, even before Milner set up his kindergarten in South Africa, were in Venice where John Ruskin spent so much time. By the 13th Century, Venice was governed by an oligarchy, controlled by wealthy families who had made treaties with the Saracens, thus forming a link between the east and Europe and becoming the greatest commercial center for trade and banking until 1797 when the Republic of Venice was conquered by Napoleon Bonaparte and became part of the Hapsburg Empire until Italy was united by Garibaldi. But through it all, the wealthy families remained, and Ruskin was their disciple.

With all the funds placed at their disposal, the Rhodes trustees made many mistakes for which they took no responsibility. They guided the Paris Peace Conference and the Versailles Treaty of 1919 , which required Germany to pay impossible reparations for damages caused to Europe. By punishing Germany financially, conditions were created which led to the rise of Hitler, who was funded by the same network. The treaty also

increased tension in the Middle East by the manner in which it partitioned the Ottoman Empire, which was dismantled because of Turkey's alliance with Germany during the war. The announcement of the Balfour Declaration was made to Lord Rothschild in 1917 as a "declaration of sympathy with Jewish Zionist aspirations" and a statement that the British Government would endeavor to "facilitate" the achievement of this object. Arthur James Balfour, who signed the declaration, was not only an active member of the Round Table Group, he was the nephew of British statesman Lord Robert Cecil, and succeeded Cecil as Prime Minister in 1902. British Foreign Minister during World War I, he was a member of the British delegation at the signing of the Treaty. According to Professor Carroll Quigley, the "Cecil Bloc" was a nexus of political and social power formed by Lord Salisbury and extending from the great sphere of politics into the fields of education and publicity." The Cecil family was allied by marriage with many other powerful British titles, such as Viscounts Cobham, Barons Leconfield, Dukes of Westminster, Earls Selborne and Viscounts Wolmer, Dukes of Devonshire and Marquesses of Hartington, and Earls of Cranbrook. According to Quigley, the Cecil influence has been "all-pervasive in British life since 1886." 37 But the Cecils were influential long before 1886. In 1874 Salisbury was Benjamin Disraeli's Secretary for India and became Foreign Secretary four years later. The British Crown Government had taken over the role of the East India Company when its charter dissolved in 1858, so it would appear Salisbury's duties would have included the overseeing of the opium traffic there. We can only wonder whether a significant part of the plan of the "Cecil Bloc," and the Milner Group bureaucracy which stemmed from it, may have been a brilliant scheme devised to launder the profits coming from the opium trade through South Africa's mines (sort of like Ollie North's "neat idea" of diverting Iranian arms sales proceeds to the Contras).

Their "Peace Plan" Leads to War

The staff on the British team at the Paris Peace Conference included Lord Lothian (Philip Kerr, 1882-1940), Private Secretary to Prime Minister Lloyd George from 1917 to 1921, and in 1939 British ambassador in Washington where he secured American assistance for the British prior to U.S. entry in World War II; Sir Maurice Hankey, secretary to the Cabinet and also to the British Empire Delegation; and T.E. Lawrence, mentioned earlier, who argued on behalf of Arab independence. Jan Smuts, a member of the South African parliament in 1907, who served two terms as Prime Minister (1919-24 and 1939-48) and Chancellor of Cambridge University (1948-50), also played an important role. They worked tirelessly to promote adoption of the League of Nations. The American team, called "the Inquiry," was headed by Colonel E.M. House and included James Thomson Shotwell, Canadian-born history professor at Columbia, who served as director of the division of economics and history (1942–49) and president (1949–50) of the Carnegie Endowment for International Peace and served as chairman (1932–43) of the American committee on International Intellectual Cooperation of the League of Nations. Other members of the group were Frank Aydetlotte, George Louis Beer, Whitney Shepardson, Thomas W. Lamont, Jerome D. Green, Erwin D. Canham, Walter Lippmann and Isaiah Bowman. 38

Whose Money Is It Anyway?

During this era, another director of the Rhodes trust, as well as a director of the Bank of England, was Sir Edward Peacock, a Canadian, who had headed Dominion Securities--one of the companies mentioned in Part Two-B of this series as being involved in the Syndicate with Minor Cooper Keith of the Empire Trust, and with the Boston Brahmin opium families who funded Harvard. Peacock became a partner in Barings Bank, which necessitated his resigning from the Bank of England because two principals of the same financial house could not be on the board. When Barings' Lord Revelstoke died in 1929, Peacock returned to the board of the Bank of England. In the meantime, he had become the European director of the Canadian Pacific Railway and a bit later a director of the Hudson's Bay Company, both of which are intertwined with London banks. The railroad which spanned Canada was viewed as a quicker route to the East Indies, and which was actually a means of access to opium sources and for distribution, which proceeds laundered through Canada's banking system. 39 Peacock also served as Receiver General to the Duchy of Cornwall, which means that he oversaw the finances of the royal family, particularly the heir apparent. It was for those services that he was knighted in 1934. During World War II, Peacock served in Washington as liaison between the Bank of England and the U.S. government.

The Queen honored him with an LLD in 1949. Viscount Monckton, the legal adviser of the Duchy, and Sir Edward controlled the financial and legal arrangements for the Abdication of King Edward VIII when he chose to marry Mrs. Wallis Simpson. 40

In 1940, after the Duke and Duchess of Windsor (as mentioned in Part Four) had fled the Nazi invasion of Paris and settled in The Bahamas, they obtained permission to meet in Miami with Peacock to privately discuss "financial matters." At that time Peacock was head of British Purchasing Commission, which was under surveillance of both British and American intelligence, as the Bank of England had three directors who were partners in the Bank for International Settlements in Basle, Switzerland--the board of which included Walter Funk, president of the Reichbank. Peacock was also involved in financing electric and railway companies in Brazil and Mexico. These Brazilian companies would later become part of the Brascan empire, later controlled by same Bronfmans involved in Trizec. Brascan has been historically very closely connected to British intelligence and to the Round Table offshoots. 41

From Cutthroat Competition to Charity to World Government

Professor Quigley states that the Rhodes Trust controlled huge amounts of capital which the trustees had the obligation to invest for the purposes set out in the Rhodes Will, including "the extension of British rule throughout the world ...[and] the ultimate recovery of the United States of America as an integral part of a British Empire." Such purposes required the utmost secrecy. Investments would have been made through secret nominees with the aim of acquiring control of the most strategic facets of American resources. It is also likely that loans were made to finance new business, especially in the United States, on the condition that the borrower would agree to set up a charitable foundation upon his death or retirement. The assets of the foundation would then be placed in the hands of trustees approved by the Rhodes group, who would administer the trust in accordance with the goals set out by Rhodes in his Will. Rhodes wrote his first Will in 1877, so we know his goal was already in the working stages by those at Oxford who motivated him at the time. The ultimate trustees were also close to Oxford, having been ingrained with the same devotion to the perpetuation of the Empire, through chartered companies like Rhodes' British South Africa Company and like Hudson's Bay Company (see footnote 36), which returned a high percentage of profit to the British Government.

They already had their eye on the oil that had been discovered in Pennsylvania in 1859. According to Eustace Mullins, the Rothschilds banks, which controlled 95% of American railroads through their agents, sent Jacob Schiff of Kuhn, Loeb & Co. to John D. Rockefeller, who had ruthlessly acquired control of 95% of American oil refineries. They worked out an elaborate rebate deal for Rockefeller, through a dummy corporation, South Improvement Company. These rebates ensured that no other oil company could survive in competition with the Rockefeller firm. 42

As it turns out, South Improvement Co. was a holding company scheme designed in 1871 by Pennsylvania Railroad magnate, Thomas A. Scott. South Improvement Company was a secret alliance between the railroads and a select group of large refiners aimed at stopping "destructive" price-cutting and restoring freight charges to a profitable level. According to the pact, the railroads would raise their rates, but would agree to pay rebates to Rockefeller and other large refiners, thus securing their steady business. In addition, the latter were to receive the proceeds of the "drawbacks" levied on nonmembers, who as a result would end up paying much higher prices for their shipments of oil. In April of 1872, the South Improvement Company's charter was repealed by the Pennsylvania legislature before it had even conducted a single transaction. Eager to consolidate the refining industry, Rockefeller set out to eliminate what he called "ruinous" competition from his most immediate rivals. In less than six weeks, between February and March of 1872, he used the threat of the big new alliance and a sophisticated range of tactics to buy up 22 of his 26 Cleveland competitors. 43

Scott was first-vice-president of the Pennsylvania Railroad Company in 1860, and served as president from 1874 until 1880. Scott's allies pushed through the Pennsylvania state legislature a series of bills creating the nation's first pure holding companies--two of which were the Pennsylvania Company and the Southern Railway

Security Company. The Southern Railway Security Company held the stock of the southern feeder route for the Pennsylvania that Scott envisioned, to stretch from Washington, D.C. to the Mississippi River. The company had been purchased from James Roosevelt (FDR's father) in 1873--just seven years before Roosevelt married into the Delano family of "former" opium traders.

Carnegie

Scott's assistant until 1865 was Andrew Carnegie, who left the Pennsylvania Railroad to start his own company, but who kept his ties to the railroad. In 1875 Carnegie founded his first steel plant, the Edgar Thomson Works, in Braddock, Pennsylvania. The plant was named for the president of the Pennsylvania Railroad, which was his first customer; he made 2000 steel rails for the Pennsylvania Railroad. In 1901 Carnegie sold his entire company to J.P. Morgan for $480 million, allowing Morgan to create US Steel. Morgan would have been acting in this transaction as an agent, but we do not know whose money he used for the purchase. With his proceeds from the sale Carnegie established the Carnegie Institution to provide research for American colleges and universities.

The first president of the institution was Daniel Coit Gilman, trained at Norwich Academy, who had entered Yale in 1848, forming an intimate friendship with his fellow student, Andrew Dickson White. In 1852, Gilman studied for a few months at Harvard College, living in the home of Prof. Arnold Guyot, a Swiss national educated in Berlin. Gilman and White sailed the following year to Europe as attachés of the American legation at St. Petersburg, Russia; he also spent the winter of 1855 in Germany. For the next seventeen years, his life revolved around Yale. According to Antony Sutton, Gilman's first task in 1856 was to incorporate Skull & Bones as a legal entity under the name of The Russell Trust. Gilman became Treasurer and William H. Russell, the co-founder, became President. William H. Russell received permission to form a chapter of the German secret society, while he was studying for a year in Germany. Russell and Alphonso Taft, the father of president Taft, set up the chapter in 1832. 44 Gilman became president of the University of California in 1872, then of Johns Hopkins in Baltimore in 1875, but soon received a shock when the Baltimore & Ohio Railroad suspended dividends on the common stock, which formed the bulk of the endowment. Gilman remained in Baltimore until the 1890s. It is interesting to note that the B&O was largely financed initially by Barings Bank, which issued 6% bonds worth 1 million pounds sterling before 1880. The B&O also sold 2 million pounds of its securities through J.S. Morgan's London office and almost that many more at a reduced price a few years later--still before 1880. Most of the B&O creditors, therefore, were British, and they demanded that the interest on the bonds be guaranteed by Barings and Morgan. 45

A partial list of notable trustees of the Carnegie Institute reveals men with backgrounds in education, banking and diplomacy--closely connected to Harvard, Yale and the opium trade:

Robert O. Anderson, 1976–1983; Robert S. Brookings, 1910–1929; Vannevar Bush, 1958–1971; Frederic A. Delano, 1927–1949; Cleveland H. Dodge, 1903–1923; Simon Flexner, 1910–1914; W. Cameron Forbes, 1920–1955; James Forrestal, 1948–1949; Hanna H. Gray, 1974–1978; Henry L. Higginson, 1902–1919; Ethan A. Hitchcock, 1902–1909; Herbert Hoover, 1920–1949; Henry Cabot Lodge, 1914–1924; Alfred L. Loomis, 1934–1973; Robert A. Lovett, 1948–1971; Seth Low, 1902–1916; Andrew W. Mellon, 1924–1937; William W. Morrow, 1902–1929; Walter H. Page, 1971–1979; James Parmelee, 1917–1931; William Barclay Parsons, 1907–1932; John J. Pershing, 1930–1943; David Rockefeller, 1952–1956; Elihu Root, 1902–1937; Elihu Root, Jr., 1937–1967; William H. Taft, 1906–1915; William S. Thayer, 1929–1932; Juan T. Trippe, 1944–1981; Andrew D. White, 1902–1916.

Robert O. Anderson listed above is the man discussed in Part 2 http://www.click2houston.com/hou/money/stories/money-149298820020603-100628.html and Part 4 http://www.click2houston.com/hou/money/stories/money-149298820020603-100628.html of this series. He worked most of his career for an oil company that was originally part of the Standard Oil Trust; then he bought the London Observer from the son of Nancy Astor, later selling it to Lonrho, which controlled the assets of

Cecil Rhodes' former British South Africa Co. He also served as a conduit for the transfer of stock of the former Pauley Petroleum to Lonrho.

In 1905 the Carnegie Teachers' Pension Fund was established with a $10,000,000 endowment from Carnegie. In 1910 he created the Carnegie Endowment for International Peace, and the following year he put all his remaining fortune into the Carnegie Corporation. In 1913 the Peace Palace, financed by Carnegie, opened in the Hague. During the interwar period, the Endowment revitalized efforts to promote international conciliation, financed reconstruction projects in Europe, supported the work of other organizations, and founded the Academy of International Law at The Hague. 46

Original Trustees of Carnegie Endowment for International Peace (1910)*

Robert Somers Brookings (22 Jan 1850-15 Nov 1932) (1910-1932). Toured Europe (1880). President, Corporation of Washington University (1897-1928). Partner, Cupples and Mastron (St. Louis). Organized St. Louis World's Fair (1904). Chairman, Price Fixing Committee, War Industries Board. Accompanied Carnegie on peace visit to the Kaiser prior to WWI. Consultant to Commission on Economy and Efficiency (Taft Administration). Founder and VC, Institute for Government Research (3-25-1916). Began Institute of Economics (6-1922) (got $1.65 million from the Carnegie Corporation). Incorporated Robert S. Brookings School of Economics and Government (1924). Eponym of Brookings Institution (consolidated in 1927). Chairman, Brookings Institution (7-1-1928). Timber and Mining interests. Married Isabel Valle (1927). She pledged $350,000 for Robert Brookings Graduate School of Economics and Government (1924).

Thomas Burke (1910-1925)

Nicholas Murray Butler (2 Apr 1862-7 Dec 1947) (1910-) Student in Berlin and Paris. Doctoral thesis was "The History of Logical Doctrine." J.P. Morgan mouthpiece in academic world. Head of American branch of Association for International Conciliation (1906) (parent was located in Paris). President, Columbia University (1902-1945). Republican VP candidate (1912). President, CEIP (1925-1945). Director, New York Life Ins. Co. (1929-1939). Nobel Prize in Peace (1931) with Jane Addams (for Kellogg-Briand Pact). Trustee, The Carnegie Foundation for Advancement of Teach (3-10-1906). Married Susanna Edwards Schuyler (7 Feb 1877) (daughter of Jacob Rutzan Schuyler). Daughter: Sarah Schuyler Butler.

John L. Cadwalder (1910-1914) Lawyer. A founder of the Metropolitan Club (2-20-1891); Governor. Member, Union Club.

Joseph A. Choate (1910-1917)

Cleveland Hoadley Dodge (26 Jan 1860-24 Jun 1926) (M$T1912) (1) (1910-1919) Original Trustee, Russell Sage Foundation (4-11-1907). Wilson intimate. Original Trustee, Institute for Government Research (IGR) (late 1915). VP, Phelps Dodge Corporation. NY 2001 Society. National City Company (1st securities affiliate) (illegal according to A.G. opinion suppressed by President Taft). Owned 2,500 shares of National City Bank of New York (1-22-1913); Director (1917-1918 Period). Winchester Arms Co., Union Metallic Cartridges, Remington Arms Co., Atlantic Mutual Ins. Co., National City Bank and Kuhn Loeb & Co. married Grace Parish (11 Oct 1883).

Charles William Eliot (1910-1919) -- Educated in Germany. Original Trustee, Institute for Government Research (IGR) (late 1915). 21st President Emeritus, Harvard University (1869-1909). Incorporator, Rockefeller Foundation (1913); Trustee (1914-1917). Member of the Lyman family (like Henry Pratt Johnson). Married Ellen Peabody. Nephew of George Ticknor.

Arthur William Foster (1910-1925)

John Watson Foster (1910-1917) -- Father of the mother of the Dulles Brothers. University of Indiana (B.A. 1855), where he developed the anti-slavery convictions implanted by his father; Harvard Law School; law practice in Cincinnati and Evansville, Indiana. In 1872, he served as chairman of the Republican state committee, working toward re-election of Oliver P. Morton to the United States Senate and of Gen. Grant to the presidency. Appointed by Grant as minister to Mexico. Transferred in 1880 to St. Petersburg, Russia, where he pled for leniency in the treatment of American Jews. Minister to Spain, 1883. Secretary of State (1892-1893). Served after the Chino-Japanese War, December 1894, at the request of the Chinese foreign office with the Chinese commissioners in the negotiation of peace with Japan. In 1907, represented China at the Second Hague Conference.

Austen George Fox (1910-1937) -- Officer of the "Brandeis" Celebration of June 25, 1895, Harvard University School of Law.

Robert A. Franks (1910-1935) Trustee, The Carnegie Foundation for Advancement of Teaching (3-10-1906).

William M. Howard (1910-1930), of Georgia, father of W.M. Howard, Jr. who was a graduate of Morehouse College and a mentor to Martin Luther King, Jr. Howard, Jr. received his master of divinity degree in 1972 from Princeton Theological Seminary in Princeton, New Jersey and became the executive director of the African American Council for the Reformed Church in America. He was moderator of the Third World Peoples Conference on Development, and served as Chair, Commission on Justice, Liberation and Human Fulfillment from 1974 to 1978. He was active in the World Council of Churches, founded in the Netherlands in 1948 as an international fellowship of more than 330 churches, denominations, and fellowships in 100 countries and territories throughout the world with about 400 million Christians as members. It was formed to serve and advance the ecumenical movement. (John Foster Dulles was involved in the Federal Council of Churches, which in 1947 adopted the following resolution: "We believe that the ultimate goal for World Organization should be Federal World Government. The success of the United Nations is an important step toward this end." (Click.)

Samuel Mather (1910-1919) Son of Samuel Livingston Mather (Co-Founder of Pickands Mather). Lawyer. Founder of the Cleveland Iron Mining Co. and Iron Cliffs Mining Co. (became the Cleveland Cliffs Iron Mining Co.). Trustee, Brookings Institute (7-1-1928). Original Trustee, Institute for Government Research (IGR) (late 1915). Original Trustee, Institute of Economics (4-21-1922). Married Flora Amelia Stone, youngest daughter of Amasa Stone and only sister of Mrs. John Hay. Member of the National Council of the Episcopal Church.

Andrew J. Montague (1910-1937), Virginia politician

George Walbridge Perkins (31 Jan 1862-18 Jun 1920) (MIT 1912)(1910-1920) U.S. Financier. Clerk, New York Life Insurance Co.; Chairman of the Finance Committee (1898); VP (1903). Chairman, National Executive Committee, Progressive Party. Partner, J.P. Morgan (1900) (also Drexel, Morgan & Co. of Philadelphia and Morgan, Harjes & Co. of Paris) (resigned 1910). Owned 1,240 shares in Bankers Trust Co. Director and member of the finance committee, U.S. Steel Corp. Director: International Harvester Corporation, German-American Insurance Co. and German Alliance Insurance Co., New York Trust Co., etc. Married Evelina Ball (daughter of Flamen Ball). Children: George Walbridge Perkins, Jr. (1895-1960) (U.S. Ambassador to NATO, 1955-1957) and Dorothy Perkins.

Henry S. Pritchett (1910-1939) Suggested idea to Andrew Carnegie that he support a free, noncontributory pension fund for college faculty (1904). Trustee, The Carnegie Foundation for Advancement of Teaching (3-10-1906); President (1905-1929). Approved $1.65 million grant to found the Institute of Economics. President, M.I.T. (1904). Manager, Franklin Fund of Boston (1904). Director, American International Corporation, (1917-1918 Period ?). President, Carnegie Corporation of New York (1921-1923).

Elihu Root (15 Feb 1845-7 Feb 1937) (CFR21) (1910-1937) -- Lawyer/Diplomat/Politician. Member, Metropolitan Club. U.S. District Attorney for Southern District NYC (1883-1885). Secretary of War (1899-1904). Hired Henry Lewis Stimson (S&B) out of law school. Secretary of State (1905-1909). Legal adviser to Theodore Roosevelt. Senator from New York (1909- 1915). Gentlemen's Agreement with Japan (1908). President, CEIP (1910-1925). President, American Bar Association (1915-1916). Honorary President, Council on Foreign Relations (1921-). Nobel Peace Prize (1912). Leader in movement for world peace. Trustee, Institute for Government Research (IGR). NY Social Register. Century Association. Honorary President, American law institute (1923-1937). Son: Elihu Root, Jr. (Director: AT&T and Mutual Life Insurance Co. 12-16-1928-1939).

Jacob G. Schmidlapp (1910-1919), former president of the Fifth Third Bank of Cincinnati, who set up a family foundation in 1907.

James Brown Scott (1910-), born in Ontario, Canada. In 1876 the family settled in Philadelphia, graduate of Central High School (1887). Harvard, 1890. After studying international law at Harvard and at the universities of Berlin, Heidelberg, and Paris, he earned the degree of Doctor of Civil and Canon Laws from Heidelberg in 1894. Organized Los Angeles Law School 1896 (later incorporated into the University of Southern California. University of Illinois College of Law, dean, 1899-1903. Professor of law, Columbia University, 1903. 1st President, American Society for the Judicial Settlement of International Disputes (1906). Scott accompanied the American delegation to the Second Hague Peace Conference and subsequently prepared a massive two-volume text and documents, The Hague Peace Conferences of 1899 and 1907 (1909). He also participated in discussions which resulted in the formation in 1906 of the American Society of International Law, of which Elihu Root was the first president. Dedicated to the idea of an international legal system, Scott devoted considerable energy to the society, serving as its secretary (1906-24). He and Root were also associated in the establishment of the Carnegie Endowment for International Peace in 1910. Scott resigned his State Department post in March 1911 to become the Endowment's permanent secretary and the director of its Division of International Law, positions he held until 1940. Paris Peace Conference of 1919, the Washington Conference of 1921-22, and the Sixth Pan-American Conference in 1928. Scott's special ideal, however, was an international court of justice. Adviser at The Hague in 1920 where a committee of jurists drafted plans for the Permanent Court of International Justice. Member, Union Club.

James L. Slayden (1910-1924) U.S. Representative (San Antonio, Texas). Called for a world court.

Albert K. Smiley (1910-1912)--Haverford College, 1849; remained at Haverford as instructor in English and mathematics until 1853; established an English and classical academy in Philadelphia. In 1860 he went to Friends' School in Providence, R. I., and as teacher and principal remained until 1879. In 1879 appointed to the Board of Indian Commissioners by President Hayes. In 1889 appointed by the Secretary of the Interior to serve as chairman of a commission delegated to select reservations for the Mission Indians of California. He served as a trustee of Brown University, Bryn Mawr College, and Pomona College, and at the time of his death was president of the board of trustees of the New York State Normal School at New Paltz.

Oscar S. Straus (CFR21) (1910-1926), born in Otterberg, Rhenish Bavaria, the third son of Lazarus and Sara (Straus) Straus, whose other two sons, Isidor and Nathan, were merchants (R.H. Macy & Co.). Columbia Law School, 1873. Minister to Turkey, 1887-89. Member of the Permanent Court of Arbitration at The Hague (1902), reappointed in 1908, 1912, and 1920. Secretary of commerce and labor, T. Roosevelt. First American ambassador to the Ottoman Empire, (1909) appointed by William Howard Taft. Member of the League to Enforce Peace. American Jewish Committee, Jewish Welfare Board, and Joint Distribution Committee. Founder (1892) and first president of the American Jewish Historical Society. First President, New York Peace Society.

Charles L. Taylor (1910-1922), 1876 graduate of Lehigh University, chemist for Cambria and Homestead; Trustee, Lehigh University of Bethlehem, Pa.; President, 1904-1922, Carnegie Hero Fund Commission.

Charlemagne Tower (1910-1923), diplomat, born at Philadelphia, Pa. Phillips Exeter Academy; graduated from Harvard College in 1872, four years in travel and study in Europe and the Near East. Admitted to the bar, 1878, and practiced in Philadelphia until 1882. President in his father's Vermilion Range iron ore fields in Minnesota, director, Minnesota Iron Company, financed by his father. Sold family interests in 1887, returned to Philadelphia, active in coal mining and finance until 1891. Vice-president of the department of archaeology and paleontology of the University of Pennsylvania and as trustee, 1896-99. Appointed minister to Austria-Hungary, 1897. Ambassador to Russia, 1899-1902. American ambassador to Berlin, 1902-08.

Andrew Dickson White (7 Nov 1832-4 Nov 1918) (S&B 1854) (1910-1918) -- Son of railroad millionaire. Educator. Educated in Hegelian philosophy at U. of Berlin. Professor of History and English Literature, University of Michigan (1857-1866). Early Member, Society for Psychic Research (Venetian-trained Theological Expert). 1st President, Cornell University (1866-1885). Gave Cornell $300,000 to set up School of Government. Professor of history, Cornell University (1855-1885). Advised Hoover on establishing the Hoover Institution. Founder, Carnegie Institution of Washington. U.S. Minister to Germany (1879-1881) (1897-1902). U.S. Minister to Russia (1892-1894) (intimate of Russian aristocracy). Founder and 1st President, American Historical Association. Regent, Smithsonian Institution. Episcopalian. Helped establish Russell Trust at Yale (1856).

John Sharp Williams (1910-1922), representative and senator from Mississippi; U.S. Senator 1911-23. He was in close agreement with President Wilson in respect to the entrance of the United States into the World War and its vigorous prosecution, and he also strove to secure the entrance of the United States into the League of Nations.

Robert S. Woodward (d. 1985) (1910-1924), University of Michigan,1872. United States Lake Survey of Great Lakes, 1972-82; federal commission to observe the transit of Venus, 1882-84. Professor of mechanics and mathematical physics at Columbia University; dean of its College of Pure Science. Original Trustee, Institute for Government Research (IGR) (late 1915). President, Carnegie Institution of Washington.

Luke E. Wright (1910-1918), In 1900 McKinley appointed him a member of the second Philippine commission. In 1901 he became vice-governor of the Philippines, and a little later, in 1904, governor, succeeding William H. Taft. On Feb. 6, 1905, his title was changed to governor-general. Appointed by Roosevelt as first U.S. ambassador to Japan, 1905

*The Carnegie Endowment for International Peace was founded on December 14, 1910 by transferring $10 million in bonds to the 28 trustees. Source: Carnegie Endowment for International Peace, Summary of Organization and Work 1911-1941 v, ix-x (1941).

[List researched by Eric Samuelson; http://www.biblebelievers.org.au/ceip.htm and http://watch.pair.com/inquiry.html]. See also http://carnegieinstitution.org/YearbookPDF/Contents.pdf

Rockefeller

In 1881 Standard Oil hired a Pennsylvania lawyer named Samuel C. T. Dodd as its general counsel. Dodd had been born in Franklin, Pa. and began practicing law there the same year oil was discovered in Titusville. In the 1870s he represented clients against the Rockefeller interests, and he acquired considerable reputation as an anti-rebate lawyer. In 1872-73 he served as a delegate to the Pennsylvania constitutional convention, where he fathered the anti-rebate clause which that body wrote into the new constitution. During this period he served as counsel for numerous oil operators and transportation companies, especially the transportation companies from which the United Pipe Lines were later formed. He is sometimes called the inventor of the trust as a form of business combination. There had been a less comprehensive Standard Oil trust agreement in 1879, but state laws did not then afford a way for corporations to combine. Dodd was seeking a means of creating a

"corporation of corporations." Under the trust agreement which he drew up, the voting stocks of some forty companies were placed in the hands of nine trustees. Every stockholder received 20 Trust certificates for each share of Standard Oil stock. All profits of component companies were sent to the board to determine the dividends. The Trustees elected directors and officers of all the component companies.

The trust agreement was kept secret for six years. In 1892 the Supreme Court of Ohio decided that it was an illegal combination in restraint of trade and also that the Standard Oil Company of Ohio, one of the component companies, had exceeded its lawful corporate powers in entering the agreement. Accordingly, in March of that year Dodd presented the resolutions for the dissolution of the trust. This dissolution did not materially alter the actual conditions of the business. For six years the now dissociated corporations conducted business under a "gentlemen's agreement," and under Dodd's legal oversight. In 1899 he drew up the plans for the organization of the holding company, the Standard Oil Company of New Jersey. He continued as legal adviser until 1905 when he retired.

John D. Rockefeller's charitable donations were first guided in 1891 by the Rev. Frederick T. Gates , who took control of Rockefeller's stock portfolio of about 20 corporations. Gates either obtained control of each company or disposed of its stock, leaving him with 13 corporations, with Gates as president of each. One of the companies owned the Mesabi ore deposits in Minnesota. When Gates gained control, Rockefeller owned 60% of all U.S. iron. Then he leased the properties to Carnegie in 1896 on the condition that the mined ore would be transported on Rockefeller's railroads or ships in the Great Lakes. Five years later, Carnegie sold out to Morgan, who quickly bought the ore-carriers and Mesabi ore from Rockefeller, uniting it all into U.S. Steel. With the money they got from Morgan, both men created foundations. As we have seen in previous segments, the Morgan bank acted as a front for undisclosed investors. Prof. Quigley asserted that from the 1880s to the 1930s J.P. Morgan & Co. completely dominated international financial capitalism--the gold standard, foreign-exchange fluctuations, floating of fixed-interest securities and industrial shares for stock-exchange markets--and that it was "Anglophile, internationalist, Ivy League, eastern seaboard, high Episcopalian, and European-culture conscious." (p. 937, Tragedy and Hope). Quigley theorized that the Ivy League connection was based on the universities' large endowments which required constant consultation with the financiers, the endowments being largely in bonds. That explains, he says, the "constant interchange between the Ivy League and the Federal government."

Road to Oz Is Paved With "Charitable" Intentions

Medical Research

Rev. Gates induced Rockefeller to create the Rockefeller Institute for Medical Research in 1901 and placed Simon Flexner in charge. Flexner had been a druggist's apprentice before entering the University of Louisville, and receiving an M.D. in 1889. In 1890 he went to Baltimore to study pathology at the Johns Hopkins Hospital. In 1893 he visited Europe briefly, studying pathology at Strasbourg and at Prague. He was professor of pathology at the University of Pennsylvania from 1899 to 1903. In 1903 he married Helen Whitall Thomas, sister of M. Carey Thomas, president of Bryn Mawr College, and a talented member of an outstanding Quaker family in Baltimore. He was a trustee of the Johns Hopkins University and of the Carnegie Foundation of New York, and a member of the Royal Society of London. After his retirement from the Rockefeller Institute in 1935, Flexner was appointed Eastman Professor at Oxford University for 1937-38 and was a helpful advisor in setting up the medical professorships endowed by Lord Nuffield at Oxford's Radcliffe Infirmary.

Later with Flexner at the Medical Research Institute from 1921-36 was Raymond Blaine Fosdick (1883-1972), an attorney and author, who served as undersecretary-general of the League of Nations (1919-1920). He also was involved in the Laura Spelman Rockefeller Memorial, the International Education Board, the General Education Board, and the Rockefeller Foundation--in varying capacities until 1948. He was the brother of Harry Emerson Fosdick, who was Rockefeller's pastor and for whom Rockefeller built Riverside Church in the mid-1920's. Raymond Fosdick went on Rockefeller's payroll in 1913. He was sent to the Paris Peace Conference in

1919 as part of "Col." Edward Mandell House's group, "the Inquiry," which ran the American team at Paris. At the League of Nations, Fosdick, as Under Secretary General, worked daily with 31-year-old Jean Monnet, France's Under Secretary General. Fosdick wrote to his wife that he, Monnet, and the British Under Secretary General were working to lay the foundations of "the framework of international government. . . ." (Letter of July 31, 1919; in Fosdick, ed., Letters on the League of Nations [Princeton, New Jersey: Princeton University Press, 1966], p. 18.) Over the next six decades, Monnet became the driving force behind the creation of the European Common Market and the New European order. Meanwhile, Fosdick returned to the United States, became Rockefeller's attorney in 1920, and ran the Rockefeller Foundation's empire for the next three decades. He wrote Rockefeller's authorized biography, published in 1956. He was a founding member of the CFR in 1921, along with many other members of the Inquiry. 47

Through Raymond Fosdick, Rockefeller became acquainted with Arthur Sweetser, who encouraged his interest in the League of Nations. Rockefeller saw in the League an organization which could pursue at an official level the projects in social work, health and education for which the Rockefeller Foundation was designed. Rockefeller thus began to sponsor a number of League activities and personally contributed with $2 million of his own to the establishment of the League Library, nowadays the UNOG Library. Arthur Sweetser would later be present at the Dumbarton Oaks conference, which set up the United Nations. He was a member of the Council on Foreign Relations Peace and Aims Group with Allen Dulles and William Langer, the OSS branch chief for Research and Analysis who pioneered psychological profiling. Sweetser, became the Deputy director of the Office of War Information (an Orwellian euphemism for "propaganda"). Sweetser and Langer also worked together as members of the CFR Political Group with John Foster Dulles. 48 It is likely that Arthur Sweetser was related to Edwin Chapin Sweetser, a Universalist minister in Philadelphia, 1879-1920, born in Massachusetts and educated at Tufts and then the Canton Theological School in New York. Edwin Sweetser spoke at the World's Parliament of Religions in Chicago in 1893. He also gave the opening sermon at the Geneva Convention in 1911.

Education

In 1903 the General Education Board was created, having been proposed by John D., Jr., with Carnegie appointed trustee, to direct education into an "orderly system." The Carnegie Foundation, in fact, financed a report setting out standards to organize medical education, which, when put in effect reduced the number of medical schools by one-third within five years; those schools which would not focus on the institute's goals received no funding. Carnegie hired Abraham Flexner, Simon's brother and a graduate of Johns Hopkins, to do the study. Flexner advocated the restructuring of American higher education along the lines of Johns Hopkins, based on the German education system. Flexner had done graduate study in psychology at Harvard, followed by study in comparative education at the University of Berlin. After writing the report for Carnegie, Abraham was hired by the Rockefellers' General Education Board where he worked for 15 years. Flexner had previously been a Rhodes Memorial Lecturer at Oxford.

Rockefeller Foundation

In 1913 the Rockefeller Foundation was chartered in New York with a gift of Standard Oil securities worth $100 million. In that same year Junior hired Ivy Lee to handle public relations for him. Lee was at that time employed by the Pennsylvania Railroad, for which he had first been hired in 1906 by president, A.J. Cassatt, who had been trained by Thomas Scott. Lee was the son of James Wideman Lee, an ordained Methodist minister who, like Edwin Sweetser, spoke at the World Parliament of Religion in 1893, and headed an expedition to Palestine in 1894. Ivy Lee was a Princeton graduate (1898) who did post-graduate work at Harvard and Columbia before doing publicity work for the Democratic national committee. He then opened an office in New York and obtained a number of prominent clients. In 1910 he went to England as representative of a firm of New York brokers and within three years opened offices for them in London, Paris, and Berlin. In 1911-12 he lectured at the London School of Economics, a school founded by the Bloomsbury Group, tied to Fabian Socialists and to the Round Table. 49

"Social Hygiene," (meaning "vice")

Junior began to be fully involved in 1911 when he set up the Bureau of Social Hygiene, which concerned itself with social reform. He sent Abraham Flexner to Europe to study prostitution, and later Fosdick to study police administration. A subsequent study was made into drug use. With each study, "experts" rose to prominence who then were employed within the federal government's administration, promulgating the findings of the Bureau studies. The findings always leaned toward criminalizing the undesired activity to drive it underground.

Council on Foreign Relations

The World Affairs Councils originated on the local level after the Council on Foreign Relations (CFR) was created in New York in 1921. Cleveland and Chicago were the first cities to have regular Council meetings to discuss world affairs. The Cleveland Council on World Affairs was the first community group specifically to use the name "council on world affairs" beginning in 1943, and it is, in fact, the prototype on which the world affairs council movement is based. Dr. Brooks Emeny, of the Cleveland Council on World Affairs, is "father of the world affairs council movement," and the "grandfather" of Foreign Policy Association. In 1964 the National Committee of Community World Affairs Organizations was formed. In 1968, the organization was incorporated in the State of Pennsylvania, as the National Council of Community World Affairs Organizations, and in 1969 declared exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. William C. Messner, Jr., Executive Director of the Cincinnati Council on World Affairs, served as the first President and Max Bishop was the first Vice President of the new organization.

Conclusion

The British Empire never gracefully conceded control of its most valuable colony. Instead, its bankers used their sons and daughters to form marital appliances and to create financial connections through investments in trade, commerce and industry. The consortium model of investment contributed to a globalist ideal controlled from London through the banking network from which it had long been dispensing funds through secret syndicate agreements. Through the years, the financing would be renewed into new types of legal entities designed to be controlled by lawyers and bankers motivated by the principles of internationalism, peace and improvement of mankind. The laudatory motives have served to prevent criticism of the institutions--educational, religious and humanitarian--whose true goal is centralized control. The initial infrastructure was created in Pennsylvania, leading us to conclude that the Penn Central debacle was a method of moving money out of the United States and into the hands of the invisible controllers--a foretaste of Enron 30 years later.

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NOTES:

1 http://prozac.cwru.edu/jer/pc/docs/bevan.html Bevan was born in Wayne, Pa., on August 5, 1906. He received his BA from Haverford College in 1929 and his MBA from the Harvard Business School in 1931. He worked for the Provident Trust Company until 1942, when he resigned to join the War Production Board. He spent most of the War working for Lend-Lease in Australia and during 1945 served as deputy head of the Mission of Economic Affairs at the US Embassy in London. He returned to the Provident Trust Company briefly but moved to the New York Life Insurance Company in the fall of 1946. In May 1951 Bevan became Vice-President in charge of Finance for the Pennsylvania Railroad in Philadelphia. This was only the second time that the company had gone outside its own ranks to fill a vice-presidency. The railroad was in serious difficulty since the war traffic boom had evaporated, and its financial and accounting practices were archaic. Bevan overhauled the financial department, brought in new talent from GE and IBM and introduced modern accounting, budgeting and forecasting practices. PRR President James Symes, however, had pegged the firm's survival on a merger with the parallel New York Central Railroad. As a condition of the merger, the PRR was obliged to dispose of its profitable investments in the Norfolk and Western Railway. Bevan began a large

diversification program to redirect this investment into oil pipelines and Sun Belt real estate. The Pennsylvania-New York Central merger took effect on February 1, 1968. However, it had the effect of multiplying the railroad's problems. The plan for merging two large and philosophically different organizations was not well thought out, and a bitter three-way rivalry broke out between Chairman Stuart T. Saunders, a lawyer, President Alfred E. Perlman, an operating man, and Bevan. Eventually, all three were dismissed by the board on June 8, 1970, in a last-ditch effort to retain the confidence of the company's bankers. Penn Central filed for reorganization on June 21, the largest American corporate bankruptcy to that time. The scale of the bankruptcy led to four separate government investigations between 1970 and 1972. For the House Committee on Banking and Currency, led by the old Texas populist, Wright Patman. Bevan was the principal villain and scapegoat. Ignoring evidence that the railroad operation had long been unprofitable in its own right and had been supported only by the income from outside investments and the sale of capital assets, Patman pilloried Bevan for draining the company's resources into his diversification program. Patman's investigation highlighted three peripheral episodes rife with the scent of scandal and corruption, but whose financial contribution to the bankruptcy was negligible: the PRR's investment in Executive Jet Aviation; Bevan's participation in Penphil, a private investment club that invested in some of the same companies as the PRR; and the theft of $4 million from Penn Central by a shadowy German industrialist, Fidel Goetz, who tricked company officials into depositing it in a phony Liechtenstein bank. Bevan was named in two criminal suits arising from the bankruptcy in 1972. Philadelphia County District Attorney Arlen Specter brought indictments in the EJA episode, and a federal grand jury investigated the Goetz affair and indicted Bevan and four others in 1974. Bevan was acquitted in both cases. He died in Bryn Mawr on April 8, 1996. The history of Chemical Bank, which made loans for Penphil investments, can be seen at
http://www.businessweek.com/magazine/content/02_16/b3779006.htm and
http://www.jpmorganchase.com/cm/cs?pagename=Chase/Href&urlname=jpmc/about/history/milestones and
http://www.nybookdistributors.com/wall_street/feature/chase.html. It began in 1823 with the founding of New York Chemical Manufacturing Co. In 1929 Chemical obtained a New York State charter, becoming Chemical Bank and Trust Co.; Hanover National Bank merged with Central Union Trust Company to become Central Hanover Bank and Trust Co., and in 1951, simply Hanover Bank. Central Union Trust held mortgages on Beginning in 1920 the bank went through a series of mergers, including New York Trust and Manufacturers Hanover Trust, culminating in the consolidation of Rockefeller interests in the recent merger with J.P. Morgan and Chase. In 1930 Rockefeller combined the Chase National with the Equitable Trust and merged it in 1937 with Manufacturers Hanover, which merged into Chemical Bank in 1991. In December 1986 Houston's Texas Commerce Bancshares was acquired by the Chemical Bank, making it the fourth largest bank company, behind Citicorp, BankAmerica and Chase Manhattan. In 1996 Chemical merged with Chase.

2 http://www.browneyedsheep.com/bank.htm

3 http://www.al-islam.org/slavery/9.htm

4 http://www.snopes2.com/language/acronyms/cabal.htm -- This council included the following five men: Thomas Clifford, 1st Baron of Chudleigh and lord treasurer; Henry Bennet, 1st Earl of Arlington and secretary of state; George Villiers, 2nd Duke of Buckingham; Anthony Ashley Cooper, 1st Earl of Shaftesbury and lord chancellor; and John Maitland, first Duke of Lauderdale and Charles's principal administrator in Scotland. When some of the policies of these ministers proved unpopular (particularly their signing of the 1672 Treaty of Alliance with France, a Catholic nation, for war against Holland, a Protestant nation), this Ministry was dubbed a cabal, with the negative connotations the word now carries: a junta or council of intriguers united to bring about an overturn or usurpation, particularly in public affairs. Sometime later the belief arose that cabal was not merely an existing word which had been applied to a group Charles' ministers, but that the word itself was actually derived from the initial letters of these five men's names: Clifford, Arlington, Buckingham, Ashley, and Lauderdale.

5 [Source: "History of Barclay's Bank," H.S. Foxwell's review in The Economic Journal, September 1927, pp. 411-417, of a book compiled by P.W. Matthews, Chief Inspector of the Bankers' Clearing House (1900-1920),

edited by Anthony W. Tuke, Local Director of Barclays Bank (Blades, East and Blades, Ltd., 1926.] The book explains British banking history, including the rise of joint-stock banking, limited liability and the great banking amalgamations after 1915, but it indicates that there was a "quite peculiar" manner which amalgamation has taken place in the case of Barclays bank, as follows:

The nucleus of the combination consisted of two great firms united in 1888; Barclay, Bevan, Tritton & Co., and Ransom, Bouverie & Co.; each of them London agents of a number of country banks; and their first amalgamation of 1896, a most natural one, was a union with some twenty of these country banks, in which the Gurneys of Norwich and Backhouse of Darlington figured most actively. From time to time after 1896 there were many similar unions with local banks, especially in districts where the bank was not previously represented. Finally, after 1915, Barclays joined in the general movement for concentration on a far larger scale, and amalgamated with large centralized branch-banks of a different type. In the end it has become the third in size of our Big Five clearing banks, with deposits of over 300 million pounds, and 1838 bank offices.

A review of the Barclays history book found in The Economist in 1927 summarizes as follows:

In the course of the narrative the reader is introduced to a large number of the best known names in English banking: Alexander, Backhouse, Barclay of course, Bevan, Birkbeck, Bolitho, Bosanquet, Bouverie, Buxton, Eaton, Foster, Gosling, Gurneys, Hoare, Leatham, Lucas, Pease, Peckover, Seebohm, Tritton, Tuke, Williams and many others. * * * * It is really astonishing how intimately the English banking families were inter-related. The writer was once shown by an English banker a very elaborate pedigree, some four feet square, on which he made out his descent from Sir John Houblon, the first Governor of the Bank of England. It further appeared from this tangled web of descents and marriages that he was also connected with almost every banking family one had heard of. This intimate and complicated relationship is fully illustrated in the book we are considering. It largely extends our printed record of such connections, and perhaps even more of those religious sympathies on which they were grounded. The Quakers have played a great part in English banking, nowhere more than in the Barclay group; the Huguenots may rank next; but a certain pietistic and mystical form of religious feeling seems to have characterized nearly all the original Barclay bankers.

6 http://www.floodlight.org/theory/bofna.html and http://www.libertystory.net/LSACTIONROBERTMORRIS.htm

7 http://216.239.51.100/search?q=cache:uquAqtTX68QC:www.sparknotes.com/history/american/firstyears/section4.rhtml+%22george+washington%22+baring&hl=en&ie=UTF8 . For more information on Barings Bank history, see http://www.nytimes.com/books/first/f/fay-collapse.html .

8 The chronicler of the house of Baring, Philip Ziegler, writes that after 1783, Barings began to correspond with Robert Morris and William Bingham. [The Sixth Great Power: Barings 1762-1929. London: Collins, 1988]. Pertaining to Barings Bank's role in the opium trade, see http://www.redmoonrising.com/tm.htm . In 1799, Maria Bingham, daughter of the renowned Philadelphia socialite Anne Willing Bingham, eloped with Jacques Alexander, Comte de Tilly, in Philadelphia. She renounced the marriage weeks later, and Tilly left America with £5000 of William Bingham’s money in his pocket. Three years later she married Henry Baring in London. They divorced messily in 1823, exchanging charges of frequent infidelities....Joshua Francis Fisher, a Philadelphia gentleman, displayed not even a hint of condemnation toward Bingham’s behavior in his recollections. Fisher blamed Baring for introducing Maria “into the most dissipated company” in France. He cared not a whit for the improprieties that would have rendered her a pariah in respectable circles, instead praising her as “quite an amusing” woman when he met her in Paris in 1827. “She had seen the world in many phases, and had plenty of anecdotes which she told pleasantly,” Fisher observed. Her aunt, Abigail Peters, also dismissed her imprudence. She “may have been indiscreet,” Peters explained, “but she was never criminal.” Respectable middle-class observers of the European scene may well have found such a distinction meaningless. Indeed, middling women saw some seemingly harmless practices as dangerously corrupting. http://www2.h-

net.msu.edu/~shear/s2000.d/pa/KilbrideDan.htm . For information on the Bingham estate, see http://www.eg.bucknell.edu/~hyde/potter/Obituaries.html and http://www.bcropper.com/genealogy/records/pa/philadelphia/wills/willabstrbk1b.txt. In 1825 Henry Baring married Cecilia Windham, with whom he had 10 children, including Edward Charles Baring, the 1st Baron Revelstoke; Evelyn Baring, the 1st Earl of Cromer; and Walter Baring, British Ambassador to Uruguay. Edward "Ned" Baring, the 1st Baron Revelstoke had overextended the bank in Argentina, and though Barings was eventually resuscitated by the Bank of England, the Rothschilds and the Bank of France, there was massive selling on the New York Stock Exchange. Most importantly, Barings, along with their US Agent, Kidder Peabody, were the major underwriters for the Atchison, Topeka & Santa Fe, and in the post-Barings collapse period, the extremely important London market for the underwriting of US securities nose-dived. http://www.financialhistory.org/fh/1998/61-1.htm

9 It gets very interesting to follow the genealogies of these trustees, as provided from the history of a painting: Dr. Charles Willing (1806–1887) was the son of Thomas Mayne Willing (1767–1822),and his wife was Rebecca Tillinghast Willing (d. 1889). Dr. Charles Willing's cousin was Edward Shippen Willing (1822–1906), whose daughter was Ava Lowle Willing (wife of John Jacob Astor IV, later Lady Ribblesdale), whose daughter was Alice Muriel Obolensky (1902–1956), mother of Ivan Obolensky. http://www.worcesterart.org/Collection/Early_American/Artists/wollaston/C_Willing/catalog.html. See concerning Astor, http://www.encyclopedia-titanica.org/bio/p/1st/astor_jj.shtml and http://www.encyclopedia-titanica.org/documents/astor_jj_wife1_obit.shtml Ava Willing Astor: "By 1896, Mrs. [Vincent] Astor had become a social favorite in London, where she spent a good deal of time. She maintained a country home near the British capital and at her town house in Mayfair, entertained many members of the British nobility, including King Edward VII....Her next appearance in this country came in 1929 when she returned as Lady Ribblesdale, widow of the former Lord-in-Waiting to Queen Victoria. Their wedding in St. Mary's Church, Bryanston Square, London, in June 1919, took London society by surprise. Lord Ribblesdale died in 1925....Besides Mr. Astor, Lady Ribblesdale leaves also four grandchildren, Ivan Obolensky, Mrs. Sylvia Guirey, Mrs. Romana McEwen, and Miss Emily Harding, and three great-grandchildren. Her daughter, Mrs. Alice Pleydell-Bouverie, died in 1956. " Ava Alice Muriel Astor was first married to Prince Serge Obolensky, a former Czarist officer. Her second husband was an Austrian writer named Raimund Von Hofmannsthal, and her third husband was a British journalist named Philip Harding. Her final husband was David Pleydell-Bouverie, a New York architect. All four marriages ended in divorce. As to the lineage of Serge Obolensky, a White Russian exile, see http://histclo.hispeed.com/royal/nob/royaln-poblin.htm and http://www.geocities.com/SoHo/Studios/5254/russians.html. As to Hare, see http://www.archives.upenn.edu/faids/upa/upa3/archgen/archgengh.html .

10 http://www.raken.com/american_wealth/shipping_merchants/cushing_sturgis3.asp and http://members.tripod.com/~american_almanac/chaispot.htm and http://7.1911encyclopedia.org/B/BA/BATES_JOSHUA.htm. Relating to Henry Sturgis Drinker's connection to the opium trade, see http://www.lowermerion.org/texts/biographies.html and http://rodsell.com/hksmsic/fwdagtlist.html

11 http://www.takeactionnetwork.com/opposition/corruption/Secrets_of_the_Fed/Secrets_of_The_Fed_2.htm

12 {THE CITY TRUSTS NEED BUSTING By MARK ALAN HUGHES: LIFETIME appointments are usually reserved for things like the Supreme Court. I know of only one job in all of American local government that's for life: a seat on the Board of Directors of City Trusts in Philadelphia .. And the big difference between being a Supreme Court justice and being on the board of City Trusts is that the latter has a $400 million portfolio to control during that lifetime, with virtually no one watching. The City Trusts is the kind of situation that serves corrupt politicians very well. Think of all the effort that's been expended on getting assurances about the mayor's proposed $250 million blight bond. This is almost twice as much money and the Board can make their "investment" decisions pretty much as they please. It's the kind of thing that makes the pinstripe patronage of bond underwriting look positively small potatoes. The judges of the Court of Common Pleas elect the Board

in closed session. As seats come up, nominations to the Board are doled out by political insiders like so much, well, like so much dole. Usually, the political machine arranges the nominations and elections so that the Board operates like a private club. But an amazing thing happened last month: someone showed up uninvited and actually got himself elected to the Board. According to reports in both newspapers, City Councilman Michael Nutter ran for one of two open seats on the Board. Power lawyer Richard Glanton was, shall we say, favored to win one of those seats. But in the end, and for reasons we'll never really know, Nutter won and Glanton lost. Can there be anything more humiliating for our local power elite than to have their ascension to a position like the City Trusts get publicly derailed? But the best might be yet to come. I'd love to be a fly on the wall when Nutter, an investment banker in his life before City Council, first takes a gander at the City Trusts portfolio. Oh, baby. The Trusts consist of over 100 separate gifts to the City made since 1739. The largest of these is the Girard Estate, but it also includes the gifts that fund everything from the Wills Eye Hospital to Mummer's prizes. The Trusts were once so valuable to the city that their protection and preservation was a major negotiating point in the 1854 consolidation of the city with the rest of the county. That year the city formally expanded from the 2 square miles we know as Center City to become the huge 130 square mile city we know today. At the time, people worried mightily that the consolidation would mean that the city would legally lose its trusts. We did not lose legal control over our trusts in 1854. But have we lost political control of them in the years since? The Board of City Trusts is one of the machine's best sandboxes. A system of secret elections to lifetime appointments making investment decisions without oversight is the epitome of the "corrupt and contented" Philadelphia that muckrakers have railed against for 100 years. Such a system thrives not because no one knows about it- they have a website (www.citytrusts.com)- but because no one cares. Well, apparently, Michael Nutter cares enough to get himself elected. And that's really the lesson here. Maybe the emperor has no clothes. Maybe the machine is only as strong as our laziness lets it be. Maybe if more of us start showing up and getting ourselves elected or whatever, then maybe a few more local powers will get humiliated and some things will finally change for the better. Maybe. * Mark Alan Hughes teaches in Penn's Fox Leadership Program and is a weekly contributor to the Daily Views. Contact him and view past articles at www.mahughes.org. http://www.mahughes.org/showarticles.cfm?artid=88} See also http://www.libertyhaven.com/theoreticalorphilosophicalissues/privatization/govbuild.html

13 http://www.jeremiahproject.com/prophecy/nworder03.html and http://www.paralumun.com/dawnhist.htm and http://freemasonry.bcy.ca/fiction/eco.html and http://www.econcrisis.homestead.com/The_Cult_of_Isis.html

14 (http://www.amphilsoc.org/library/browser/a/aes.htm and http://www.amphilsoc.org/library/guides/glass/). The role of the Bush family in this pro-Nazi eugenics cabal is explored in http://www.kmf.org/williams/bushbook/bush3.html .

15 Jacqueline was the daughter of Janet Norton Lee and John Vernou Bouvier III, who were married in New York's East Hampton, where both her grandparents owned comfortable summer houses in what was virtually Wall-Street-on-Sea. The two dominant males in Jackie's early life were her paternal grandfather, Major John Vernou Bouvier Jr., and her father. Her grandfather, known as "Grampy Jack" or "Grampy Bouvier" to his ten grandchildren and "the Major" to everyone else, was the center of summer family life at Lasata, the stucco, ivy-clad house on Further Lane. It was strategically situated near the ocean and the Maidstone Club, the heart of East Hampton social life, where the Bouviers had purchased a cabana in 1926. The Bouviers' first house was a three-story, verandaed building called Wildmoor on Appaquogue Road; in 1925 the Major's wife, Maude Sergeant, bought Lasata with her father's money. It was not until 1935 that the Major, having inherited a considerable fortune from his uncle Michel Charles "M. C." Bouvier, took over the house and began to live the expansive life to which he felt entitled, and which ended, at his death, in the financial ruin of the family. Jackie's grandmother, Caroline Ewing, was the granddaughter of Captain James Ewing. Her father known as "Black Jack" was a member of Yale Senior Society, Book and Snake, though he had been expelled for gambling from his prep school, Phillips Exeter, the same prep school George H.W. Bush would later attend before entering Yale. http://www.cnn.com/2000/books/beginnings/10/24/excerpt.queen.jackie/ Michel Charles Bouvier's father, also named Michel, had been born in 1792 in Pont-Saint-Esprit, Provençal, France but died in

1874 in Philadelphia, where he was married to Sarah Anne Pearson in 1822. So he was a Philadelphia banker from the South of France, near Marseilles. http://www.geocities.com/bouvierfamily/tgjackiekennedy.html It is not known whether the Bouviers in France became involved in the opium trade that began around 1862, several years after Michel Bouvier had moved from France.http://www.drugtext.org/books/McCoy/book/21.htm "More significant in the long run was the French establishment of an opium franchise to put their new colony on a paying basis only six months after they annexed Saigon in 1862. Opium was imported from India, taxed at 10 percent of* value, and sold by licensed Chinese merchants to all comers....Opium became an extremely lucrative source of income, and this successful experiment was repeated as the French acquired other areas in Indochina. Shortly after the French established a protectorate over Cambodia (1863) and central Vietnam (1883), and annexed Tonkin (northern Vietnam, 1884) and Laos (1893), they founded autonomous opium monopolies to finance the heavy initial expenses of colonial rule. While the opium franchise had succeeded in putting southern Vietnam on a paying basis within several years, the rapid expansion of French holdings in the 1880s and 1890s created a huge fiscal deficit for Indochina as a whole. ...The man of the hour was a former Parisian budget analyst named Paul Doumer, and one of his solutions was opium. Soon after he stepped off the boat from France in 1897, Governor-General Doumer began a series of major fiscal reforms...After consolidating the five autonomous opium agencies into the single Opium Monopoly, Doumer constructed a modern, efficient opium refinery in Saigon to process raw Indian resin into prepared smoker's opium." It is known that opium dens were rampant in the South of France as early as 1913, when a statement by Rouzier Dorcieres was printed in the New York Times that: " 'opium is poisoning our navy.' M. Dorcieres points out as an extraordinary paradox that this terrible scourge is actually one of the principal State manufactures in France's greatest colony, Indo-China, where it is sold under a State guarantee as freely as tobacco is here and contributes more than one-sixth of the entire revenue of the country. According to the latest figures, he says, the annual production of opium in that colony is over 260,000 pounds, bringing an average revenue of $2,102,000. Through smuggling, however, the consumption is, at least, double that shown by the official figures. M. Dorcieres says that the dens of Marseilles, Toulon, and other towns are supplied by a syndicate of smugglers, who even pay the fines of their agents when caught red-handed."
http://www.druglibrary.org/schaffer/History/e1910/frenchnavyopium.htm

16 http://www.yale.edu/lawweb/avalon/imt/proc/11-29-45.htm [If the Tribunal will permit, I will read from the original exhibit. On top is a letter from Ambassador Bullitt to the Secretary of State, November 23, 1937, stating that he visited Warsaw, stopped in Berlin en route, where he had conversations with [Hjalmar] Schacht and Goering, among others. (See Schacht's background at
http://reformed-theology.org/html/books/wall_street/introduction.htm). On the conversation with Schacht, I read from Page 2 of the report: "Schacht said that in his opinion, the best way to begin to deal with Hitler was not through political discussion but through economic discussion. Hitler was not in the least interested in economic matters. He regarded money as filth. It was therefore possible to enter into negotiations with him in the economic domain without arousing his emotional antipathy, and it might be possible through the conversations thus begun to lead him into arrangements in the political and military field, in which he was intensely interested. Hitler was determined to have Austria eventually attached to Germany, and to obtain at least autonomy for the Germans of Bohemia. At the present moment he was not vitally concerned about the Polish Corridor and in his"--that is Schacht's-- "opinion, it might be possible to maintain the Corridor, provided Danzig were permitted to join East Prussia, and provided some sort of a bridge could be built across the Corridor, uniting Danzig and East Prussia with Germany."
See also http://www.unc.edu/depts/diplomat/AD_Issues/amdipl_1/dale1.html

17 Fuggerei, the oldest "social settlement" in the world. Admittedly, you rarely find low-income housing on a tourist's "must-see" list. In Augsburg, it's a prime attraction. Of course, this settlement dates from the 16th century, a gift of the wealthy Fugger brothers. The Fuggerei, with its 148 apartments, offered citizens life-long housing for the equivalent of a dollar a year – as long as they were poor, married, Catholic and born in Augsburg. http://www.greatestescapes.com/index.cgi?view=article&articleid=303

18 (John Reed's financial supporters and Whitney genealogy) http://reformed-theology.org/html/books/bolshevik_revolution/chapter_11.htm and http://www.whitneygen.org/archives/biography/williamc.html

19 (Duke genealogies) http://www.duke.edu/web/Archives/history/dukechart-v.html and http://inman.surnameweb.org/abstracts/abs-ma.htm and http://www.ncarts.edu/campusnews/mdb-grant.htm For information on William C. Bullitt, see http://www.dbr.com/attorney_bio.asp?attorney=41 .

20 (Bullitt at "Life") http://www.catholic.net/rcc/Periodicals/Dossier/2001-02/column1.html

21 http://www.ohiou.edu/shafr/NEWS/2001/JUN/LEAGUE.HTM

22 This analysis of Wilson's character was so devastating that its publication had to be postponed until 1967, following the death of Wilson's widow. Bullitt and Freud explain that Wilson was psychologically unable properly to carry out his duties at the Versailles Peace Conference. On 8 April 1919 he even suffered what Bullitt and Freud called a "moral collapse" in relinquishing his highly touted "Fourteen Points" peace plan on the promises of which Germany had laid down its arms. Sigmund Freud and William C. Bullitt, Thomas Woodrow Wilson, Twenty-Eighth President of the United States (Boston: Houghton Mifflin, 1976) http://www.ihr.org/jhr/v05/v05p241_Braun.html

23 For how these groups worked in Bosnia, see http://www.dodccrp.org/tartoc.htm

24 For the list of U.S. ambassadors to Spain, see: http://politicalgraveyard.com/offices/diplo6.html#SPAIN Concerning the Vatican's role in providing an escape route for Nazis and their gold, see: http://www.icdsm.org/more/pavelic-i.htm and http://www.reformation.org/usnews.html and http://www.consortiumnews.com/1999/c010699a.html In 1947, Peron was living in Argentina's presidential palace and was hearing pleas from thousands of other Nazis desperate to flee Europe. The stage was set for one of the most troubling boatlifts in human history. In June 1947, Evita left for post-war Europe. A secret purpose of her first major overseas trip apparently was pulling together the many loose ends of the Nazi relocation. Evita's first stop on her European tour was Spain, where Generalissimo Francisco Franco -- her husband's model and mentor -- greeted her with all the dignified folderol of a head of state. A fascist who favored the Axis powers but maintained official neutrality in the war, Franco had survived to provide a haven for the Third Reich's dispossessed. Franco’s Spain was an important early hide-out for Nazis who slipped through the grasp of the Allies and needed a place to stay before continuing on to more permanent homes in Latin America or the Middle East. While in Spain, Evita reportedly met secretly with Nazis who were part of the entourage of Otto Skorzeny, the dashing Austrian commando leader known as Scarface because of a dueling scar across his left cheek. Though under Allied detention in 1947, Skorzeny already was the purported leader of the clandestine organization, Die Spinne or The Spider, which used millions of dollars looted from the Reichsbank to smuggle Nazis from Europe to Argentina. After escaping in 1948, Skorzeny set up the legendary ODESSA organization which tapped into other hidden Nazi funds to help ex-SS men rebuild their lives -- and the fascist movement --- in South America. Evita’s next stop was equally fitting. The charismatic beauty traveled to Rome for an audience with Pope Pius XII, a Vatican meeting that lasted longer than the usual kiss on the ring. At the time, the Vatican was acting as a crucial way station doling out forged documents for fascist fugitives. Pope Pius himself was considered sympathetic to the tough anti-communism of the fascists although he had kept a discreet public distance from Hitler. A top-secret State Department report from May 1947 -- a month before Evita's trip -- had termed the Vatican "the largest single organization involved in the illegal movement of emigrants," including many Nazis. Leading ex-Nazis later publicly thanked the Vatican for its vital assistance. [For details, see Martin A. Lee's The Beast Reawakens.] As for the Evita-Pius audience, former Justice Department Nazi-hunter John Loftus has charged that the First Lady of the Pampas and His Holiness discussed the care and feeding of the Nazi faithful in Argentina. After her Roman holiday, Evita hoped to meet Great Britain's Queen Elizabeth. But the British government balked out of fear that the presence of Peron's wife might provoke an embarrassing debate over Argentina's pro-Nazi leanings and the royal family's own pre-war cuddling up to

Hitler. Instead, Evita diverted to Rapallo, a town near Genoa on the Italian Rivera. There, she was the guest of Alberto Dodero, owner of an Argentine shipping fleet known for transporting some of the world's most unsavory cargo. On June 19, 1947, in the midst of Evita's trip, the first of Dodero's ships, the “Santa Fe,” arrived in Buenos Aires and disgorged hundreds of Nazis onto the docks of their new country. Over the next few years, Dodero's boats would carry thousands of Nazis to South America, including some of Hitler's vilest war criminals, the likes of Mengele and Eichmann, according to Argentine historian Jorge Camarasa. On August 4, 1947, Evita and her entourage headed north to the stately city of Geneva, a center for international finance. There, she participated in more meetings with key figures from the Nazi escape apparatus.

25 http://www.archdiocese-phl.org/cs&t/120700/news3.htm and www.saintjohn.org/history.htm
It may not be a coincidence that a mirror order to the Russian Grand Priory was formed before WWI, which would subsequently be based in Shickshinny, Pa.--thus referred to as the "Shickshinny Knights of Malta." http://www2.prestel.co.uk/church/lumpen/saucers.htm ("Saucers, Secrets and Shickshinny Knights" by Martin Davis): In the early sixties Philip Corso was a member of a secret society called The Sovereign Order of Saint John of Jerusalem, also known as the Shickshinny Knights of Malta, after the Pennsylvania town where the order was based. The order's "Armed Services Committee" was full of retired military types with ultra-rightist sympathies and included generals from the Douglas MacArthur circle like Bonner Fellers and Pedro del Valle. The Committee also included British Admiral Sir Barry Domville, who was fingered by the English as a Nazi agent and jailed during World War II, and General Charles Willoughby, former chief of intelligence for General Douglas MacArthur, whom MacArthur referred to as "my little fascist." The Shickshinny Knights were fanatical anticommunists. Some of them, like Willoughby, were affiliated with international ultra-rightist organizations like the World Anticommunist League and the International Committee for the Defense of Christian Culture. Shickshinny, PA was itself the home of many White Russians who had fled Russia when the Bolsheviks came to power. In 1963, the Grand Chancellor of the Order was Col. Charles Thourot Pichel; during the thirties, Pichel had lobbied the German government to appoint him the official American liaison to Hitler. The Shickshinny Knights Armed Services Committee membership list also included Philip J. Corso, who, according to Dick Russell, "had been a twenty-year Army Intelligence career man until his retirement in August 1963". Russell notes that in 1954 Corso had been the Army Operations Coordinating Board's delegate to the CIA team planning the overthrow of Guatemalan President Jacobo Arbenz Guzman. (This coup, in which the democratically elected leftist Arbenz was successfully removed from office, was primarily a U.S. intelligence operation. It was celebrated by the CIA as a "bloodless coup" because nary a shot was fired; rather, Arbenz was driven to flee the country by a barrage of U.S.-backed disinformation and propaganda. In other words, it was for the most part what spy folk call a "psy op," or psychological operation.) In 1956, Corso worked with West German paramilitary units connected to the spy network of former Nazi master spy Reinhard Gehlen.13 (Corso himself claims that he participated in Operation Paperclip, the American intelligence operation that repatriated Nazi rocket scientists like Werner von Braun and Walter Dornberger to the U.S., so that they could run the U.S. space program.) According to Peter Dale Scott, after the Kennedy assassination, both Corso and Frank Capell (another Shickshinny Knight, also an editor for the John Birch Society) were instrumental in spreading "stories linking Oswald to Russia and Ruby to Castro's Cuba." In Deep Politics, Scott argues that such stories were systematically disseminated after the assassination as part of a cover-up, i.e., a disinformation scheme whose purpose was to deflect attention away from the real forces behind the Kennedy murder. Russell concurs, saying that Corso was "among the first to spread rumors hinting that Oswald was tied to a Communist ring inside the CIA". Apparently the colonel is still on the case: according to Corso co-author Birne, an upcoming volume from the duo, tentatively titled The Day After Dallas, will give the real insider's lowdown on the JFK assassination, emphasizing alleged penetration of the CIA and "the entire U.S. secret government," by the KGB. (Interestingly, Russell explores indications--admittedly circumstantial--suggesting that the real group behind the assassination was connected to Willoughby and a "right-wing clique inside the Pentagon." Both Russell and Scott link Willoughby, Corso, and company to a power struggle within the national security establishment between ultra-right military intelligence types and more "liberal," civilian CIA men. Willoughby's "old boys" were a vastly different breed from the old-school tie, Ivy League crowd who ran the CIA. Their enmity went back to a battle for hegemony between Military Intelligence and the OSS [the CIA] during World War II. While the CIA's power base expanded, the MacArthur-Willoughby's team's very existence was threatened. One

Democratic president, Harry Truman, pushed them out of the far east. But Willoughby and his ilk did not fade away. They melded into global alliances, extending from quasi-religious orders such as the Shickshinny Knights of Malta to the [ex-Nazi] Reinhard Gehlen-Otto Skorzeny spy team in Europe. Such details may have no bearing on Corso's bizarre UFO memoir. But they make clear that Corso has had a lifelong association with military intelligence and the ultra-right. They also suggest that he's no slouch at disinformation schemes and no stranger to hidden agendas. Furthermore, it's clear from such history that Corso is a veteran of CIA-style espionage. Interestingly, in The Day After Roswell, he paints CIA types as the bad guys in the story. It's this branch of the government that is bent on keeping the truth from the American people, Corso implies. Salt of the earth military patriots like himself just want the truth to come out, dadgummit. The Shickshinny Knights who made up the Armed Services Committee of the society were described in the group's literature as "Soldiers of Christ and Advocates of a Free World"--as the shock troops of global anticommunism. Sharing the wealth, it seems safe to say, was not part of their agenda. But even Corso's pseudo-populist position has a Shickshinny feel to it. As both Scott and Russell demonstrate, the Shickshinny milieu represents a faction of the intelligence community that is to the right of the CIA and which views the whole civilian intelligence apparatus as a hotbed of dangerous liberalism. J. Edgar Hoover's own turf war with the CIA during the 1950s factors into this. As Scott writes: "The intra-bureaucratic feud of the 1950s between the CIA and Hoover was much more than a matter of personalities: it was a conflict between alternate visions (globalist/internationalist versus nationalist/expansionist) of how the United States should expand into the rest of the world. Where the major oil companies and their allies in the CIA thought of creating and dominating a global economy, their nationalist opposition in the United States preferred unilateralist expansion into specific areas, above all Latin America and the far east. The latter group allied dissident generals, resentful of civilian control, with exploiters of minerals and independent oilmen opposed to the oil majors, like William Pawley and H. L. Hunt." These days, many would argue that the people would be well served by more opposition to the global economy and its elite promoters. But the "nationalist" opposition to globalization described above might as well be called the "fascist" opposition. Hunt, Hoover, and the Shickshinny types may not be fans of globalization, but they sure aren't the champions of ordinary folk. For "unilateralist expansion into. . . Latin America and the far east," read "Guatemala," "Chile," "Korea," "Vietnam." http://www.redshift.com/~damason/lhreport/articles/roswell3.html At the time Corso joined the exclusive sect, its leader was one Colonel Charles Thourot Pichel. Pichel was an explicit, undeniable Nazi. During the Third Reich, he had begged Hitler's government for the job of representing Nazi political interests in the United States. Willoughby had also joined the Shickshinny Knights at this time, and co-published with the organization a periodical called the "Foreign Intelligence Journal." This journal specialized in anti-Semitic theories and the kind of extremist "enemy-within" anti-Communist blather we associate with groups like the John Birch Society. Apparently, this rather odd group had become, in the early 1960s, something of a dumping-ground for military intelligence veterans who were so zealous they had come to consider the CIA hopelessly "pink." The darling of this Corso's "Knights" was a very strange man named Michael Goliniewsky, whose name pops up in most histories of the CIA "mole-hunts" of the 1960s. Goliniewsky was a high-ranking Polish intelligence officer who sympathized with "the West," and began feeding information to the CIA. Apparently, his info was rather good at first. The Soviets became suspicious of him, so he had to scuttle off to America quickly....The CIA soon learned not to take Goliniewsky seriously. But his demented world-view fit right in with the ideas held by the Knights, Willoughby, Corso and co. So these "Knights" became the chief propagandists for Goliniewsky in the United States. [NOTE: Remember that Drexel Biddle, Jr. had connections to Poland since being appointed ambassador in 1937.] ~~~~~~~

An interesting chart can be seen at http://www.vaticanassassins.org/ (click on "chart" in frames to the left). Notice how many powerful intelligence operatives in America have been connected to Knights of Malta.

26 For these connections, see our previous article at http://www.newsmakingnews.com/lmharvardpart2.htm
http://www.angelfire.com/in/heinbruins/Astor.html and
http://www.drexel.edu/univrel/drexelink/story.asp?ID=132&vol=5&num=5

27 [Source: Eustace Mullins. THE WORLD ORDER: Our Secret Rulers]; also see http://www.bartleby.com/65/lo/Lothian.html

28   With reference to Barings failure in South America: What Revelstoke of Barings did was to underwrite a 2 million [pounds sterling] share issue by the Buenos Aires Water Supply and Drainage Company. That meant that Barings sent the money to Argentina before it had sold the shares, and the shares subsequently proved virtually impossible to sell. Much of Barings' capital was tied up in South America, and since the continent was going to pieces, questions of confidence in the bank were raised. It was committed to paying bills amounting to millions of pounds, and there was not enough money to meet the debt. Moreover, interest rates were rising and money was tight. This was a classic recipe for a bank failure. Because the stakes were so high, Barings was bailed out in November 1890 by a consortium organized by the governor of the Bank of England, William Lidderdale. The consortium drew on money from the bank itself and from the government of the day. For information concerning the Laboucheres, see http://80.1911encyclopedia.org/T/TA/TAUNTON.htm   and http://www.nps.gov/jeff/LewisClark2/Circa1804/In1804/HeadlinesLouisianaPurchase.htm . http://whatson.northnet.net.au/users/blackheath/geneal3.htm#_ftn95 For reference to Labouchere's Truth, see http://www.wcml.org.uk/scout.html.

29   http://elsa.berkeley.edu/users/eichengr/carli2.pdf and http://www.nytimes.com/books/first/f/fay-collapse.html

30   Reference to Cliveden is from http://www.visi.com/~tomcat/poetry/LadyAstors.shtml ; [Quote is from a review of The Cliveden Set: Portrait of an Exclusive Fraternity by Norman Rose. Cape, © The Irish Times] http://www.ireland.com/dublin/entertainment/books/cliveden.htm. See John Jacob Astor: America's First Multimillionaire by Axel Madsen. According to a Public Broadcasting System documentary made for Frontline, "John Jacob Astor of New York City joins the opium smuggling trade in 1816. His American Fur Company purchases ten tons of Turkish opium then ships the contraband item to Canton on the Macedonian. Astor would later leave the China opium trade and sell solely to England. " http://www.pbs.org/wgbh/pages/frontline/shows/heroin/etc/history.html See also http://www.britannica.com/titanic/astor.html

31   Representative members were Sidney and Beatrice Webb (founders of the London School of Economics), John Maynard Keynes (the Cambridge Professor and economist), H.G. Wells, Graham Wallas and Virginia Woolf. Lawrence, born in 1888, graduated with honors in modern history in 1910 from Jesus College at Oxford. His first job was as an assistant at a British Museum excavation in Iraq (then known as Mesopotamia). When war broke out with Germany in 1914, Lawrence spent a brief period in the Geographical Section of the General Staff in London, and was then posted to the Military Intelligence Department in Cairo, eventually attaining the rank of Lt. Colonel. In 1916, when the Arabs rebelled against the Turkish empire,Lawrence was sent to Mecca on a fact-finding mission, ultimately becoming the British liaison officer to the Arabs. In 1922 Lawrence resigned his position with the Colonial Office and enlisted in the RAF under an assumed name. After four months he was discovered by the press and discharged. With the help of a highly-placed friends he re-enlisted in the Tank Corps as 'Thomas Edward Shaw' and eventually succeeded in transferring back to the RAF. In March 1935 his twelve-year enlistment came to an end and he retired to Dorset, England. Two months later he was thrown from his motorcycle, and was killed. http://www.pennmush.org/~alansz/rw-pbem/bg/chars/shaw.html and http://www.lucidcafe.com/library/95aug/lawrence.html.   There were many in England and the United States who felt that the Treaty of Versailles imposed upon Germany was too harsh. Attempts were made to remedy that situation by making private loans to Germany during the 1920s. Among the groups which expressed this viewpoint was one formed by "the Apostles" at Cambridge University, a group composed of Lytton Strachey, Leonard Woolf, E.M. Forster, Bertrand Russell and John Maynard Keynes. The Apostles were in touch with members of the Fabian Society, which had originally been founded by a few Quakers in 1883. The Fabians believed that capitalism had created an unjust and inefficient society. They agreed that the ultimate aim of the group should be to reconstruct "society in accordance with the highest moral possibilities". http://www.internettrash.com/users/gnomespapers/hist_TheTreatyOfVersailles.htm and

http://www.users.muohio.edu/shermalw/honors_2001_fall/honors_papers_2000/arling.html and http://www.top-biography.com/0052-Bernard%20Shaw/work3.htm. The Turks had joined the war on the side of Germany and Austria in 1914, and called on their Arab subjects to join them in fighting the British, but the influential Arab ruler of Medina and Mecca, Grand Sharif Hussein, refused unless the Turks granted independence to Syria. The Turks would not grant these terms, and fighting began. Hussein had four sons, one of whom,the Emir Faisal I, became Lawrence's close collaborator. Lawrence had studied at Jesus College in Oxford before becoming a part of an expedition to Arabia. Lawrence assured Emir Faisal that the British would reward the Arabs with political independence at the end of the war. It was true that Britain and its allies intended to dismantle the Turkish Empire, but it was not true that they planned on Arab self-government. Instead, one of the Western allies, France, hoped to take Syria and Lebanon as its own protectorates, while Britain secured the dominant position in Palestine, Trans-Jordan, and Iraq. A secret Anglo-French deal of 1916, the Sykes-Picot Agreement, summarized this plan, and Lawrence appears to have been aware of it. Lawrence went to the Versailles peace conference but was unable to persuade the principal negotiators to make Syria an independent Arab nation, and he and Faisal left in despair. Lawrence later refused to accept from King George V the medals he had won for his gallantry and distinguished service. In 1921, Winston Churchill became colonial secretary, and asked Lawrence--who for a short time had enjoyed a fellowship at All Souls' College, Oxford--to join the Colonial Office. In Churchill's service, Lawrence was soon back in Cairo and, at a conference there, was instrumental in Britain's offer of the Iraqi throne to Faisal, as compensation for his disappointment in Syria. Lawrence also managed to secure the throne of Trans-Jordan for Faisal's brother Abdulla.

32 http://www.rhodesindia.com/about/index.shtml. This and other information about the trust can be found at http://www.angelfire.com/biz/RhodesScholarship/abouttrust.html.

33 http://www.balkanpeace.org/our/our03.shtml "These predominantly Albanian drug barons from Kosovo ship heroin exclusively from Asia's Golden Crescent, an apparently inexhaustible source. At one end of the crescent lies Afghanistan, which in 1999 surpassed Burma as the world's largest producer of opium poppies. From there, the heroin base passes through Iran to Turkey, where it is refined, and then placed into the hands of the Albanians who operate out of the lawless towns bordering FYR Macedonia, Albania, and Serbia. According to the US State Department, four to six tons of heroin move through Turkey every month. "Not very much is stopped", says one official. "We get just a fraction of the total". Not surprisingly, the Kosovo Liberation Army (KLA) has flourished along the route. Its dependence on the drug lords is difficult to prove, but the evidence is impossible to overlook. In 1998, German Federal Police froze two bank accounts belonging to the "United Kosova" organization at a Dusseldorf bank after it was discovered that several hundred thousand dollars had been deposited into those accounts by a convicted Kosovo Albanian drug trafficker. According to at least one published report, Bujar Bukoshi, Prime Minister of the "Kosova" Government in Exile, also allegedly controlled the accounts. In early 1999 an Italian court in Brindisi convicted an Albanian heroin trafficker named Amarildo Vrioni, who admitted obtaining weapons for the KLA from the Mafia in exchange for drugs. Last February 23, Czech police arrested Princ Dobroshi,the head of an Albanian Kosovo drug gang. While searching his apartment, they discovered evidence that he had placed orders for light infantry weapons and rocket systems. No one had questioned what a small-time dealer would be doing with rockets. Only later did Czech police reveal he was shipping them to the KLA. The Czechs extradited Dobroshi to Norway where he had escaped from prison in 1997 while serving a 14-year sentence for heroin trafficking. "

34 It is interesting to note that in 1877 the board of the Pennsylvania Railroad authorized its vice president to move to London to act as the railroad's general agent, since the London Joint Stock Bank "can only act as disbursing agent for interest and dividends....English stockholders meet at City Terminus Hotel in London; called by VP Edmund Smith to allay rumors that have been circulated for about a year, particularly by the London Daily Telegraph, damaging the company's credit; Henry Crosfiled, principal auditor of London & North Western Railway, also speaks; he endorses soundness of PRR and requests that the PRR provide regular monthly and annual reports of traffic and expenses for publication in the UK, and that it either revise the form of its accounts in line with British practice, particularly regarding the income from subsidiaries, or produce such

forms for British use only, and issue reports for all PRR system companies in same format and for common fiscal year. " http://www.prrths.com/Downloads/PRR1877.pdf In 1893 the PRR obtained a six-month loan of L250,000 from London Joint Stock Bank. http://www.prrths.com/Downloads/PRR1890.pdf According to Dope, Inc. by Executive Intelligence Review, there is a "tightly closed financial network with origins in the British and Dutch East India Companies and modern origins in the narcotics traffic in the British Opium Wars of the 1840s. The paradigm for this network is the London Committee, or British-based directors, of the Hongkong and Shanghai Bank, the central bank for Dope, Incorporated. It ties in directly and immediately to the five big London clearing banks, the five London 'gold pool' dealers, and the big Canadian international banks....The Oppenheimer mining group, heirs to the empire of Cecil Rhodes, is the dominant force--in collaboration with Hong-Shang and its Mideast subsidiaries--in the illegal traffic in gold and diamonds through which so much dirty money is turned into untraceable, portable assets. Through its diamond monopoly, De Beers, its mining corporations, Anglo-American Mining and Consolidated Gold Fields of South Africa, through its commodity trading organization, Phibro, the Oppenheimer group has expanded its tentacles across the world and, most of all, in the United States." (pp. 93-94)

35 http://www.sweetliberty.org/issues/shadow/tragedyandhope.htm and http://www.geocities.com/sulongpilipino/gang1999.html.

36 "The central defect of 'the evil' is not the sin but the refusal to acknowledge it. More often than not these people will be looked at as solid citizens. How can that be? How can they be evil and not designated as criminals? The key word is "designated". They are criminals in that they commit "crimes" against life and liveliness. But except in rare instances- such as in the case of Hitler when they might achieve extraordinary degrees of political power that remove them from ordinary restraints, their "crimes are so subtle and covert that they cannot clearly be designated as crimes. The theme of hiding and covertness will occur again and again throughout the rest of this book. It is the basis for the title "People of the Lie"....Evil deeds do not make an evil person. Otherwise we would all be evil. If evil people cannot be defined by the illegality of their deeds or the magnitude of their sins, then how are we to define them? The answer is by the consistency of their sins. While usually subtle, their destructiveness is remarkably consistent. This is because those who have "crossed over the line" are characterized by their absolute refusal to tolerate the sense of their own sinfulness....The poor in spirit do not commit evil. Evil is not committed by people who feel uncertain about their righteousness, who question their own motives, who worry about betraying themselves. The evil of this world is committed by the spiritual fat cats, by the Pharisees of our own day, the self-righteous who think they are without sin because they are unwilling to suffer the discomfort of significant self-examination. It is out of their failure to put themselves on trial that their evil arises. They are, in my experience remarkably greedy people....A predominant characteristic of the behavior that I call evil is scapegoating. Because in their hearts they consider themselves above reproach, they must lash out at anyone who does reproach them. They sacrifice others to preserve their self-image of perfect....Utterly dedicated to preserving their self-image of perfection, they are unceasingly engaged in the effort to maintain the appearance of moral purity. They are acutely sensitive to social norms and what others might think of them. They seem to live lives that are above reproach. The words "image", "appearance" and "outwardly" are crucial to understanding the morality of 'the evil'. While they lack any motivation to be good, they intensely desire to appear good. Their goodness is all on a level of pretense. It is in effect a lie. Actually the lie is designed not so much to deceive others as to deceive themselves. We lie only when we are attempting to cover up something we know to be illicit. At one and the same time 'the evil' are aware of their evil and desperately trying to avoid the awareness. We become evil by attempting to hide from ourselves. The wickedness of 'the evil' is not committed directly, but indirectly as a part of this cover-up process. Evil originates not in the absence of guilt but in the effort to escape it." http://members.tripod.com/ejm/people.htm

37 See http://www.foundingdocs.gov.au/text_only/places/cth/cth11.htm

38 The INQUIRY and its members wrote most of Woodrow Wilson's 14 points. Many of the members of the INQUIRY and the US State department delegates at the Paris Peace conference belonged to the American branch of a secret society founded by the English imperialist Cecil Rhodes. At the Paris Peace conference they

traded off most of the 14 points to establish the League of Nations. After the conference they attended a meeting at the Hotel Majestic and become the founding fathers of the Council on Foreign Relations. Woodrow Wilson caught on to the betrayal and was so upset that he suffered a stroke and refused to speak to Edward Mandel House ever again. The American people didn't want to belong to an organization that could force them to go to war and would be turned into an international police force. America would never join the League of Nations. On September 12, 1939, the Council on Foreign Relations began to take control of the Department of State. On that day Hamilton Fish Armstrong, Editor of Foreign Affairs, and Walter H. Mallory, Executive Director of the Council on Foreign Relations, paid a visit to the State Department. The Council proposed forming groups of experts to proceed with research in the general areas of Security, Armament, Economic, Political, and Territorial problems. The State Department accepted the proposal. The project (1939-1945) was called Council on Foreign Relations War and Peace Studies. Hamilton Fish Armstrong was Executive director. In February 1941 the CFR officially became part of the State Department. The Department of State established the Division of Special Research. It was organized just like the Council on Foreign Relations War and Peace Studies project. It was divided into Economic, Political, Territorial, and Security Sections. The Research Secretaries serving with the Council groups were hired by the State Department to work in the new division. These men also were permitted to continue serving as Research Secretaries to their respective Council groups. Leo Pasvolsky was appointed Director of Research. In 1942 the relationship between the Department of State and the Council on Foreign Relations strengthened again. The Department organized an Advisory Committee on Postwar Foreign Policies. The Chairman was Secretary Cordell Hull, the vice chairman, Under Secretary Sumner Wells, Dr. Leo Pasvolsky (director of the Division of Special Research) was appointed Executive Officer. Several experts were brought in from outside the Department. The outside experts were Council on Foreign Relations War and Peace Studies members; Hamilton Fish Armstrong, Isaiah Bowman, Benjamin V. Cohen, Norman H. Davis, and James T. Shotwell. In total there were 362 meetings of the War and Peace Studies groups. The meetings were held at Council on Foreign Relations headquarters -- the Harold Pratt house, Fifty-Eight East Sixty-Eighth Street, New York City. The Council's wartime work was confidential. Council on Foreign Relations founding father Isaiah Bowman wrote, "The matter is strictly confidential because the whole plan would be 'ditched' if it became generally known that the State Department is working in collaboration with any outside group." The Rockefeller Foundation funded the project with nearly $350,000. In 1945 the Council's goal of establishing a League of Nations would be realized when the War and Peace Study group members actively participated in the preparing for and attending the San Francisco conference to establish the United Nations. This time the American people weren't asked whether or not they wanted to join.
http://www.geocities.com/CapitolHill/2807/emwar.html

See also http://watch.pair.com/cnp2.html .
With reference to the background of Lippmann and Bowman:
Lippmann (1889-1974) was born in New York to German Jewish parents. While a student at Harvard, he became a socialist, and spent his life as a "liberal" journalist, who happened to be a close adviser to several presidents. Bowman became president of Johns Hopkins University and was appointed special adviser to the secretary of state and was later a member of the American delegation at the conference at which the United Nations was founded.   The first president of Johns Hopkins, Daniel Coit Gilman, had been the incorporator of the Russell Trust, which holds title to the assets of Skull and Bones at Yale.
http://www.jhu.edu/news_info/news/newpres/gaz4.html and http://www.freedomdomain.com/skullbones.html
For further information on Beer, see http://watch.pair.com/beer.html. Beer was also one of the originators of the Royal Institute of International Affairs in London and its American branch, The Council on Foreign Relations. Thomas W. Lamont, Isaiah Bowman, George Louis Beer and Whitney H. Shepardson approached Robert Cecil about planning a strategy for future joint ventures. They arranged for a party for fifty at the Hotel Majestic in Paris on May 30. 1919. At Paris the Royal Institute for International Affairs was created after WWI. The rather loosely organized group in the U.S. included George Louis Beer, Walter Lippman, Frank Aydetlotte, Whitney Shepardson, Thomas W. Lamont, Jerome D. Green, Erwin D. Canham (Christian Science Monitor) and others.

39 In 1869 Hudson’s Bay was headed by George Stephen from Scotland, who hired his cousin Donald Smith (later Lord Strathcona, who would later found the Anglo-Iranian Oil Co.--BP.

http://tiger.towson.edu/users/kpower3/HistoryBP.html). Besides being chairman of the Bank of Montreal, Stephen was also the major shareholder in the Canadian Pacific Railroad, which was completed in 1886 after many near-bankruptcies. [W. G. Hardy, From Sea unto Sea: Canada--1850 to 1910, The Road to Nationhood (Garden City, New York: Doubleday & Co. 1960), p. 220.] In the beginning of the construction of the railroad, Smith used Phillip Rose's investment banking firm--Morton, Rose [Morton, Rose in England (Morton, Bliss of New York), whose partners were Levi P. Morton (U.S. Ambassador to France and later Vice President. of United States), Sir John Rose (member of Macdonald-Cartier ministry in Canada), Pascoe DuPre Grenfell and George Bliss. Firm was later merged into Guaranty Trust of New York. Dorothy R. Adler, British Investment in American Railways 1834-1898 (Charlottesville, Va.: The University Press of Virginia, 1970), p. 90.]—to float issues of stocks and bonds. In the last two issues he was able to convince Barings Bank to assist him because the previous issues had not brought in any much-needed capital. Barings was strictly an English firm until 1891 when a New York firm comprised of a family member was established (Baring, Magoun & Co.) by Alexander Baring, formerly of Kennedy, Todd & Co. (NY) and George Magoun, formerly of Kidder, Peabody & Co. The English firm dealt with Baring & Magoun in New York and Kidder, Peabody in Boston. The Baring family had migrated to Exeter, England from Bremen, Germany in 1717, and their descendants, Alexander and Henry Baring, married Americans. Barings had been one of the first English firms to handle American railroad bonds, and had a long-standing relationship with the B&O Railroad in Baltimore, Maryland. [Dorothy R. Adler, British Investment in American Railways 1834-1898 (Charlottesville, Va.: The University Press of Virginia, 1970), p. 144.] According to the writers of Dope, Inc., by 1916 the Keswick family of Jardine Matheson had secured controlling interest of the Hudson's Bay Company, and they made a deal with Sam and Abe Bronfman to buy the Canadian Pure Drug Company. Since 1963 Hudson's Bay Company has been interlocked with the Canadian Corporate Management Corporation headed by Walter Lockhart Gordon of Canada's Liberal Party. Gordon was also chancellor of York University, which houses the North American center of "explicit Maoism" called the Norman Bethune Institute. Gordon and his accounting partner also created Rochdale College in Toronto, which in the early 1970s was the subject of newspaper headlines when Canadian police shut the college down because of the rampant illicit drug consumption and retail distribution at the campus. Gordon has been closely connected with the Canadian Pacific Co., which is interlocked three ways with Seagrams and with the five major Canadian banks--the Bank of Montreal, the Royal Bank of Canada, the Bank of Nova Scotia, the Toronto Dominion Bank, and the Canadian Imperial Bank of Commerce. [From EIR: Dope, Inc.)] The networks for smuggling of the drugs were established during the days of American prohibition. Drugs were brought to Canada from Asia via the railroad terminus on the Pacific Ocean. To hide the involvement of the Canadian Pacific Railroad, a dummy corporation, Transcanada Transport was set up. After a 1922 scandal airing the Bronfmans' crime connections in a public hearing, the family relocated their business to Montreal. Whereas they had previously imported whiskey from the Distillery Company of London (owned by "the higher echelons of the British nobility"), they transported a distillery from Kentucky to Montreal and were given distribution rights by the King. The Bronfmans then became a 50-50 partner with their previous supplier in a new holding company set up in 1926 in which William Ross of London was named as president, with Sam Bronfman as vice-president. Following another scandal involving Harry Bronfman, the family acquired a shipping subsidiary—Atlas Shipping Co.—which they moved to two islands on the Newfoundland coast, where their smuggling operations thereafter were based.

The interlocking management among Hudson Bay, Seagrams,and the Canadian banks continued to overlap with the management of Lazard Brothers and British Intelligence operators. Between 1920-44 a partner and managing director of the London office of Lazard Brothers was Lord Robert H. Brand (named Baron Brand in 1946), who along with Lords Astor, Milner, Altrincham, and General Smuts made up the "Round Table Group," later called the "Cliveden Set," which controlled the Rhodes Trust, the Beit Trust, The Times of London and The Observer. Brand, regarded as the economist of the Round Table Group, was a director of Lloyd's Bank and director of The Times. His wife was Nancy Astor's sister, an American from the Langhorne family in Virginia. Brand was also financial advisor for Lord Robert Cecil. When Lord Brand left Lazard in 1944, his nephew Thomas Henry Brand replaced him. [Carroll Quigley, Tragedy and Hope: A History of the World in Our Time (New York: The Macmillan Company, 19), p. 581. and Carroll Quigley, The Anglo-American Establishment: From Rhodes to Cliveden (New York: Focus, Inc., 1981), pp. 59-60.]

40   http://www.econ.queensu.ca/funds/peacock.html and http://www.turnerandcoates.com/history.html and with reference to the Duchy of Cornwall http://www.princeofwales.gov.uk/about/duchy/ "Since the 14th century the Duchy's main purpose has been to provide an income, independent of the Monarch, for the heir apparent. That income covers the cost of the public and private life of the current Duke, The Prince of Wales. Neither he nor his sons receives an allowance from the Civil List. When there is no male heir, the Duchy reverts to the Monarch and its income to the Exchequer." Currently, Prince Charles is the Duke of Cornwall. "The Duchy of Cornwall's latest annual report, made public on June 29, 2000, recorded an annual net surplus of £6,932,000 in the year to March 31, 2000. Profit of £6,421,000 had been reported for the previous year." To see other properties and income of the Royal Family, see http://home.clara.net/citizen/monarchy/mon4.html and http://home.clara.net/citizen/monarchy/mon11.html There seems to be an incestuous relationship between investment managers for the Royal Family and the pension funds controlled by Prudential Insurance.

41   http://www.straightgoods.com/Lowe/010129.asp Brascan Ltd. began in 1945 as the British Newfoundland Corp and was rechartered by William Stephenson as British American Canadian Co., then World Commerce Corp., of Panama; Brascan board members have included Edgar Bronfman of Seagrams and Lord Carrington, a co-founder of Kissinger & Associates.

42   http://www.mega.nu:8080/ampp/rockroth.html

43   http://www.pbs.org/wgbh/amex/rockefellers/peopleevents/e_south.html and http://www.history.rochester.edu/fuels/tarbell/UPTO69.HTM

44 http://www.plim.org/SkullBones.htm.

45 By March 1896 "J.S. Morgan; Brown, Shipley; and Baring Brothers, Ltd., announced that they had agreed to cooperate to protect the British holders of securities issued through their houses [according to Burdett's].... On the other hand, the Economist commented on this announcement: 'In many instances, however, the protection thus accorded to English holders of American railroad securities has been a very costly piece of business, and has materially added to the losses which the general proprietary bodies have had to sustain. Of course, we do not expect issuing houses to work for nothing, but there is a moral responsibility attaching to their position which should weigh with them, and induce them to use their best endeavours in the protection of the interests which they have helped to create, without reference to the fees to which their services may entitle them. And when these services are volunteered, there is all the more reason why their cost should be kept within moderate limits.'" [Source: Dorothy R. Adler, British Investment in American Railways: 1834-1898, p. 164.]

46 http://www.ceip.org/files/about/about_endowment.asp

47 See http://www.aim25.ac.uk/cgi-bin/search2?coll_id=3261&inst_id=1. The London School of Economics and Political Science was officially opened in the autumn of 1895. It owed its existence to the will of Henry Hunt Hutchinson, a provincial member of the Fabian Society, who had left a significant sum of money in trust for 'propaganda and other purposes of the said [Fabian] Society and its Socialism and towards advancing its objects in any way they [the trustees] deem advisable'. Sidney Webb, named as one of Hutchinson's trustees, believed the money should be used to encourage research and study of economics. ...Sidney Webb was the driving and organizing force in the establishment and early years of the School, acting as Chairman of the Hutchinson Trust, the School Trustees, the Administrative Committee and the Library Committee, ...; see also http://www.xrefer.com/entry/171972].

48   http://www.lewrockwell.com/north/north63.html
Prepared under the auspices of the League of Nations Association. Pioneers in world order; an American appraisal of the League of Nations: Foreword, by R. B. Fosdick.--The framework of peace, by Arthur

Sweetser.--Security, by J. T. Shotwell.--Disarmament, by Laura P. Morgan.--The world court, by M. O. Hudson.--International civil service, by F. G. Boudreau.--The International labor organization, by Carter Goodrich.--Control of special areas, by Sarah Wambaugh.--Dependent peoples and mandates, by Huntington Gilchrist.--World economics, by H. F. Grady.--International double taxation, by M. B. Carroll.--Standardizing world statistics, by E. D. Durand.--Dangerous drugs, by H. L. May.--International health work, by F. G. Boudreau.--Refugees, by J. G. McDonald.--Social problems by Elsa Castendyck.--The league of minds, by M. W. Davis.
http://einsys.einpgh.org:8883/MARION/ACH-5195

49 http://www.unog.ch/frames/library/about/rockefel.htm and http://www.geocities.com/CapitolHill/2807/2x2l.html. According to the diaries of William Dodd, the American Ambassador to Germany,in 1933 a stream of Wall Street bankers and industrialists filed through the U.S. Embassy in Berlin, expressing their admiration for Adolf Hitler — and anxious to find ways to do business with the new totalitarian regime. For example, on September 1, 1933 Dodd recorded that Henry Mann of the National City Bank and Winthrop W. Aldrich of the Chase Bank both met with Hitler and "these bankers feel they can work with him." Ivy Lee, the Rockefeller public relations agent, according to Dodd "showed himself at once a capitalist and an advocate of Fascism." http://reformed-theology.org/html/books/wall_street/chapter_10.htm

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FOLLOW THE YELLOW BRICK ROAD: FROM HARVARD TO ENRON

PART SIX

by Linda Minor © 2002

"The Federal Reserve System is not Federal; it has no reserves; and it is not a system at all, but rather, a criminal syndicate. It is the product of criminal syndicalist activity of an international consortium of dynastic families comprising what the author terms "The World Order."
--Eustace Mullins,
The Secrets of the Federal Reserve

George Bush Was Born into the New World Order

There is no longer any place to hide from globalism. Ever since railroads were built and connected one coast to another, the ability of a locality or region to be self-sufficient or independent has continued to diminish. The model of centralization demands that all resources be sucked out of every locality so that the products of international business can be shipped in. The locally based World Affairs Councils mentioned at the end of Part Five were part of the propaganda network devised by the Rockefeller and Carnegie tax-exempt organizations, which were directly connected to the Round Table Group in London, the stated goal of which was to bring the

United States back under the control of the British Empire. The Bush family connection to this financial network was described in previous articles. (Click.) and (Click.)

George Bush's life-long loyalties to the one-world government stem from his family's dependence upon the W.A. Harriman investment bank which Bush's grandfather merged with the Philadelphia branch of Brown Brothers. Brown Brothers' Philadelphia office opened in 1818 as a branch of the Baltimore-Liverpool-India triangle which had ties to the China trade and shipbuilding. When you trace the money going into George Bush companies like Bush-Overbey and Zapata Offshore, you find ties to Brown Brothers' long-term clients--the same Scottish and English aristocrats who owned stock in Halliburton, and ties to the managers of Lazard Brothers, interlocked with the Bank of England and British government officials. You also find that the money coming out of Bush enterprises was closely overseen by Bush's trustee, a scion of the Standard Oil affiliated company in Houston, who has since become our Ambassador in London--W.S. Farish III, whose grandfather was convicted in 1942 of trading with the enemy. (1) In previous parts of this series we attempted to ascertain who really owned Zapata's stock and assets and questioned who Pug Winokur was really working for at Pacific Holding, which owned all the stock of International Mining Co., which in turn controlled Zapata in 1979. Is it possible this question could be answered by going back to Pennsylvania?

One of Bush's partners in Zapata was J. Hugh Liedtke, an Amherst graduate and attorney, whose brother William was also a partner. They were sons of Gulf Oil's general counsel in Oklahoma. Gulf, which began in Texas, was ostensibly owned by the Pennsylvania Mellon family, who, like the Rockefellers, also manage their corporate stock through "charitable" foundations. After Bush pulled out of Zapata to form the offshore company, the Liedtkes, in the early 1960s sought to expand the company's operations and oil reserves by a merger with South Penn Oil Company, formed in Pennsylvania in 1889. South Penn was one of the original companies of John D. Rockefeller's Standard Oil; it was forced into independence when the Standard trust was broken up in 1911, though the shareholders were the same as before. By 1960 the company was stagnant, a regional producer that was primarily known for its Pennzoil motor oil. Just under 10 percent of the company stock was owned by oil magnate J. Paul Getty, who communicated to Liedtke that if he could get the financial backing to purchase a comparable share of the company stock, Getty would allow him to take over direction of the company. Liedtke put together an investment syndicate that soon secured 10 percent of the stock, and he was appointed president of South Penn in 1962. The merger was accomplished the following year, when Zapata and South Penn, along with Stetco Petroleum of Midland, Texas were combined to form Pennzoil. The new company began trading shares on the stock market on July 8, 1963.

In 1983 Hugh Liedtke and Pennzoil began maneuvering to secure control of Getty Oil, 67% of which was owned by a trust set up by Jean Paul Getty's mother, which he managed on her behalf. Getty's Pacific Western Oil owned 50% of the concession in the Neutral Zone between Kuwait and Saudi Arabia, in which the other 50% was owned by a syndicate called American Independent Oil Co. (Aminoil). (See Part 3 for a more detailed discussion of this. (Click.) Getty won the Saudi concession by promising to make the usual payments and expenditures and offering to give King Ibn Saud record royalties for every barrel he pumped. Aminoil, shocked by Getty's high bid, used its connections to FDR through its association with Edwin Pauley to convince the U.S. Treasury to pay $50 million to Saudi Arabia in order to match the Getty offer. Two days after Pennzoil's announcement that it would purchase Getty Oil, Texaco consummated a purchase of all the Getty Oil stock. Pennzoil reacted by bringing suit against Texaco for interfering with its agreement with Getty Oil. Pennzoil emerged with a $3 billion settlement after four years of litigation and a series of favorable court decisions. A major part of the Texaco settlement was used by Pennzoil to purchase shares of Chevron Corporation starting in late 1989 and continuing through the early 1990s. In 1992 Pennzoil traded almost half of its Chevron stock for a $1.1 billion package of domestic oil and gas properties owned by Chevron. You may recall from Part 3 that the Saudi Arabia consortium called Aramco was composed of the old Standard Oil company based in California--Socal--and Texaco. Socal would later be called Chevron and would merge with the Mellons' Gulf Oil, for which the Liedtkes' father had worked all his life. (2)

Pennzoil/Zapata has historical connections to Enron through various acquisitions and spin-offs that are too complicated to delve into in this part of the series, but which will be briefly mentioned here. Enron's predecessor company in Houston was Houston Natural Gas (HNG), which elected Pug Winokur to its board in 1984. HNG was formed in 1925 as a South Texas natural gas distributor and started developing producing oil and gas properties in 1953. In 1956 the corporation bought Houston Pipe Line Company, a wholly owned subsidiary of Houston Oil Company of Texas. The shareholders of all these corporations were virtually identical before the merger. HNG had been created one year before the pipe line company completed constructing distribution gas lines, hoping to compete with Houston Gas and Fuel (HG&F), whose president was Captain James A. Baker, grandfather of James A. Baker III, which had a monopoly in the City of Houston. In 1956 the parent corporation was sold to Atlantic Refining Co. for a quarter-billion dollars, and in 1966 Atlantic acquired Richfield Oil Corp.--creating Arco, whose chairman was our old friend, Robert O. Anderson. The merger was handled for Richfield by White, Weld investment bank, which in 1974 merged with G.H. Walker and Co., owned by George H.W. Bush's uncle and financial patron in George's oil companies. The White Weld Walker amalgam also merged its London and Swiss operations with Crédit Suisse, the premier drug-money-laundering institution of the day, and the domicile for Iran-Contra's "Enterprise" offshore bank accounts managed by Oliver North.

Shortly before the stock market crash in 1929 Houston Gulf Gas had bought out Houston Gas & Fuel and then merged with United Gas of Houston, a holding company, which merged into Pennzoil in 1968. The retail gas distribution assets of United were spun off into Entex Corporation in 1970, a divestment the SEC required in order to approve the merger. In 1972 Entex acquired 20% interest in University Savings and the remaining interest later. University Savings would become one of the culprits in the Texas S&L debacle of the 1980s. United Gas Pipeline stock was distributed to Pennzoil shareholders in 1974, and that company was eventually restructured as United Energy Resources, Inc. Entex and HNG merged in 1976 and were later merged into Enron. (3)

Let's go back to July 1974--one month before Nixon, threatened with impeachment over Watergate, decided to resign. Where was George Bush? He had just completed a two-year assignment for Nixon as U.S. Ambassador to the United Nations during a critical period. Still involved in the war in Southeast Asia, the United States had agreed to allow the admission of the People's Republic of China for the first time since 1949, the year the Communists took over the mainland of China and pushed out Chiang Kai-shek. Bush argued forcefully for a so-called 'two-China' policy--a compromise which would have kept a special seat for the Republic of China (Taiwan), which had held the China seat since the founding of the U.N. in 1945. Bush lost the argument when the U.N. expelled the Taiwan government in favor of the People's Republic. In 1973 he left the U.N. job to become Chairman of the Republican National Committee before leaving in October 1974 for Peking in his role as Chief of Mission, U.S. Liaison Office to People's Republic of China, where he remained until his appointment by Gerald Ford to be Director of the Central Intelligence Agency in 1976. After Jimmy Carter took office, and until Bush became vice president in 1981, he was officially engaged only in commercial activities.

In order to understand how the Bush network intersects with the preceding parts of this series, as well as the sections which follow, it is suggested that you first read or review the conclusions made in The Secret War Against The Jews: How Western Espionage Betrayed The Jewish People by John Loftus and Mark Aarons (St. Martin's Press, NY. 1994). As a starter, see "Nazis in the Attic, Part 6" by Randy Davis at (Click) Here are two excerpts:

(1) "[Edwin] Pauley, say several of our sources, was the man who invented an intelligence money-laundering system in Mexico, which was later refined in the 1970s as part of Nixon's Watergate scandal. At one point CIA agents used Pemex, the Mexican government's oil monopoly, as a business cover at the same time Pemex was being used as a money laundry for Pauley's campaign contributions. As we shall see, the Mexican-CIA connection played an important part in the development of George Bush's political and intelligence career. . . .Pauley, say the 'old spies,' was the man who brought all the threads of the Mexican connection together. He

was Bush's business associate, a front man for Dulles's CIA [Allen Dulles was CIA director until 1963], and originator of the use of Mexican oil fronts to create a slush fund for Richard Nixon's various campaigns. . . .According to a number of our intelligence sources, the deals Bush cut with Pauley in Mexico catapulted him into political life. In 1960 Bush became a protégé of Richard Nixon, who was then running for president of the United States. . . ."

(2) "The real story of George Bush starts well before he launched his own career. It goes back to the 1920s, when the Dulles brothers and the other pirates of Wall Street were making their deals with the Nazis.... Sullivan & Cromwell was not the only firm engaged in funding Germany. According to 'The Splendid Blond Beast,' Christopher Simpson's seminal history of the politics of genocide and profit, Brown Brothers, Harriman was another bank that specialized in investments in Germany. The key figure was Averell Harriman, a dominating figure in the American establishment.... George Bush's problems were inherited from his namesake and maternal grandfather, George Herbert 'Bert' Walker, a native of St. Louis, who founded the banking and investment firm of G. H. Walker and Company in 1900.... In 1926 Bert Walker did a favor for his new son-in-law, Prescott Bush. It was the sort of favor families do to help their children make a start in life, but Prescott came to regret it bitterly. Walker made Prescott vice president of W. A. Harriman. The problem was that Walker's specialty was companies that traded with Germany.... Walker also set up a deal to take over the North American operations of the Hamburg-Amerika Line, a cover for I.G. Farben's Nazi espionage unit in the United States. The shipping line smuggled in German agents, propaganda, and money for bribing American politicians to see things Hitler's way. The holding company was Walker's American Shipping & Commerce, which shared the offices at 39 Broadway with Union Banking. In an elaborate corporate paper trail, Harriman's stock in American Shipping & Commerce was controlled by yet another holding company, the Harriman Fifteen Corporation, run out of Walker's office. The directors of this company were Averell Harriman, Bert Walker, and Prescott Bush." (4)

Ties of American Shipping & Commerce to Pennsylvania Railroad and Brown Brothers Link to Liverpool and Hamburg

Before 1900 the Pennsylvania Railroad management decided to diversify and invested in a steamship and shipbuilding company called American Steamship Co. (ASC), created in 1873. Washington Butcher, who sat on the board of the Pennsylvania RR in 1850, as shown on the PRR's annual report, (5) was also a director and president of American Steamship Company, which also had financial backing from the Philadelphia Quaker community. According to the annual reports in 1891, the PRR had invested at least $3 million in the American Steamship Co., a steamship line designed to carry passengers and cargo across the North Atlantic from Philadelphia to Liverpool. (6) American Steamship was better known as the American Line. (7) This company had contacts with Albert Ballin in Hamburg, whose father owned a travel agency for immigrants. Albert took over the continental booking operations for the Philadelphia-based American Line, which served the Liverpool-New York route. After 1881, Ballin found a Hamburg ship owner--the Carr-Line-- who would allow him to bypass Liverpool. Ballin's new business was bought by the American Line in 1886, creating the Hamburg-Amerika Line, for which Ballin became managing director in 1899. In 1902 American Steamship Co. was acquired by International Mercantile Marine Co. of New Jersey (IMM). Ships for the American Line's use were built by William Cramp Shipbuilding in Philadelphia. Both IMM and Cramp would be purchased in 1915 by a new corporation known as American International Corporation (AIC). The corporate web of the International Mercantile Marine (IMM) was disclosed in hearings held following the sinking of the Titanic, one of the ships owned by IMM. (8)

Liverpool-Hamburg Connection to Creation of the Federal Reserve and American International Corporation

In 1913 Woodrow Wilson of Princeton, New Jersey was inaugurated after having been elected with the help of Col. Edward M. House, whose family had made a fortune in shipping and cotton in Texas. The House family sent their ships to Boston and to Liverpool where they had contacts with cotton brokers and bankers. Eustace Mullins has said that House's father had deposited the gold he made in blockade-running during the Civil War

and in his cotton trading into Barings Bank.(9) In 1907 the House's private bank in Houston had been placed in receivership, bringing House even closer to European bankers like the Warburgs who helped him and his associates design the Federal Reserve banking system which became law in 1913. Almost immediately after the Federal Reserve Act took effect in the U.S., Europe entered World War I, with the assassination of Archduke Ferdinand, Hapsburg heir apparent to the throne of Austria. Avoiding entry in the war, the U.S. began building ships, making money for old Syndicate investors who had the "foresight" to create the central banking system and the legislative infrastructure to acquire government contracts.

Details of legislation enacted in the wake of that war in Europe are described in a 1927 book written by Edward N. Hurley, who became Woodrow Wilson's appointee to the U.S. Shipping Board and the Emergency Fleet Corporation created by statute. Hurley's book can be found in its entirety online. Though tedious, it does reveal some extremely valuable information: references to the legislative and executive framework that allowed the creation of the American International Corporation, in which the United States Government was a shareholder along with private commercial interests. (10) Another excellent article, by James J. Martin, relates the history of the legislation, which can be read in full at the website cited in the following footnote. Martin calls this particular episode in American history "one of the principal ancestors of a particular kind of endeavor which has featured collaboration between private business and the state in harmony on a project related to martial objectives." It is amazing how much commercial interests can benefit from such a simple thing as an impending war. (11)

The AIC was front page news in the New York Times when it was formed on November 22, 1915, when its purpose was announced as developing "the resources of foreign countries." One of the first acts of the corporation was the purchase of vessels from Pacific Mail Steamship Co. for trade with Mexico and South America under the direction of W.R. Grace. This was followed by the acquisition of the Allied Machinery Corporation in March and the International Mercantile Marine Corporation stock in April. Even more significant was the acquisition on May 5, 1916 of stock in the United Fruit Co. In Part 2 of this series we described the syndicate that owned United Fruit Co., as well as the efforts of Zapata to take over the company in 1969. By August 23, 1916 AIC announced huge profits made from the rise in value of their International Mercantile Marine and United Fruit stock. "In the opinion of some, the AIC was the model from which the pattern was cut." AIC, created pursuant to the new legislation, became the owner of the IMM and Cramp Ship Yard in 1915, meaning that this line--owned by a syndicate comprised of the U.S. Government and commercial interests--also owned the Hamburg-Amerika Line. What is intriguing is that AIC's involvement with United Fruit coincides with the time that the U.S. was sending military troops to Nicaragua, Panama and the Dominican Republic. (12)

A large percentage of the directors of AIC were connected to the new Federal Reserve Bank of New York. Among the directors of AIC were Frank A. Vanderlip, President of the National City Bank of New York, Theodore N. Vail, President of American Telephone and Telegraph, shipping line magnates Robert Dollar (Dollar Lines) and J. P. Grace (director of National City Bank), Percy A. Rockefeller (son of William Rockefeller and Isabel Stillman--heir to National City Bank), Pierre S. du Pont (heir to explosives company that created chemical industry and owner of General Motors; cousin of the owner of 120 Broadway), J. Ogden Armour (meat-packing heir), Robert S. Lovett (attorney and president for both the Union Pacific and Southern Pacific while owned by E.H. Harriman), William E. Corey (director of Sinclair Oil at 120 Broadway), Otto H. Kahn (of Kuhn, Loeb & Co.), C. A. Coffin (chairman of General Electric), John D. Ryan (National City Bank), W. S. Saunders (director of New York Fed at 120 Broadway), G. L. Tripp (Chase National Bank), A. H. Wiggin (Director of Federal Reserve Bank of New York in the early 1930s), James Stillman (National City Bank), R. F. Herrick, Beekman Winthrop (Secretary of the Navy and Governor of Puerto Rico), Edward S. Webster and Charles Augustus Stone (both of Boston engineering firm of Stone & Webster). The owners of the majority of stock in the Federal Reserve Bank of New York in 1914 are set out in the footnote. (13)

On August 31, 1917 notification was given that "contracts for the construction of three great Government-owned ship fabricating plants were awarded today by the Emergency Fleet Corporation to the American

International Corporation, the Submarine Boat Corporation, and the Merchants Shipbuilding Company, and orders were issued to exert every effort to rush the work." AIC would operate the Hog Island facility near Philadelphia. Submarine Boat would be based at Port Newark, N.J. and Merchants Shipbuilding was to be located at Chester, Pa., later referred to as the "Bristol yard," described as "a purely private enterprise" of W. Averell Harriman and the rest of the board of directors of Merchants Shipbuilding. In 1917 the Merchant Shipbuilding Corporation (later called Merchant-Sterling) opened in Bristol, Pa. and began building ships for the war. A smaller town dubbed "Harriman Village," later annexed to Bristol, began to grow in the area surrounding the shipyards. During World War II, the shipyards were converted for use in the manufacturing of aircraft. (14)

American International Corporation Shipping Contracts in 1917 with Brown Brothers Harriman Company Tied to Hamburg

AIC created one subsidiary corporation after another engaged in "development" projects all over the world. There is evidence such subsidiaries provided funds for Russian Alexander Kerensky, who overthrew the tsar, and that funds were later provided to Lenin and the Bolsheviks after they seized power from Kerensky. At the same time, and in the decades that followed, funds were raised through AIC to allow the arming of the Third Reich in Germany. These subsidiary corporations were offshoots of a corporation sponsored by an act of the United States Congress and partially funded by tax dollars, in which the U.S. government was a partner with what we have referred to in prior parts of this article as "the syndicate." Research is necessary by persons with access to government documents, including corporation records where the corporation and its subsidiaries were chartered, to determine what happened to American International Corporation after 1915. That research has not been done in connection with this article.

It has been stated that, once the corporations were created, they seemed to do nothing except siphon off funds from the U.S. Treasury through contracts with private corporations controlled by men who sat on the board of AIC and the Federal Reserve banks. Further evidence exists that there was considerable involvement between AIC's steamship and shipbuilding subsidiaries and the investment bank of Brown Brothers, Harriman, in which George H. W. Bush's father was a partner. It was this steamship company in which the PRR had a huge financial investment, and which bought the stock of Albert Ballin's Hamburg-Amerika Line in 1920. In November 1918, after Germany's defeat in World War I, Ballin took an overdose of sleeping pills and died in a Hamburg hospital. He had been a close adviser of Kaiser Wilhelm II, and had worked for Anglo-German cooperation. (15) He was also a friend and client of M.M. Warburg & Co., in Hamburg, the banker for the shipping line, with Max Warburg acting as the broker for the purchase. Max had two brothers who were American citizens working for Kuhn, Loeb at the time--bankers who issued Harriman railroad securities, many of which were marketed in Germany by Max.

Senate Commerce Committee testimony in February 1918 revealed that the two most important affiliates of AIC when it gained the Hog Island, Pa. contract were two wholly-owned subsidiaries, the American International Terminal Corporation, which promptly went about buying the land on which the shipyard was to be built, and the hastily created American International Steel Corporation, described in the New York Times of September 7, 1917 as having "just been formed to build up the export trade in American steel and steel products" and acting as a "selling agency" for "American manufacturers of steel and steel products." The main customer for these corporations was a third wholly owned subsidiary, the American International Shipbuilding Corporation. The circumstances under which the transfer of ownership took place involved two main sellers: one was Charles N. Black of Philadelphia, described by John Kenneth Turner in his book Shall It Be Again as a "rich gentleman" upon whom President Woodrow Wilson had conferred an honorary lieutenant colonelcy. How many acres he sold was never clearly stated, though he later testified before the Senate investigating committee as a witness in defense of the AIC, and asserting that his sale of the land had been represented to him as his 'duty.' The other principal landholder of this heretofore inaccessible swamp was Francis H. Bohlen, a law professor at the University of Pennsylvania, who sold 400 acres. The land was sold to the AIC in June 1917,

well before the awarding of the Hog Island contract, which suggested that the transaction was in the government-business negotiation machinery before public awareness or actual consummation. (16)

[Quoting again from Martin's article]:

Offended by the revelation that the AIC stood to make a profit of $6 million on the building of the Hog Island ships without investing a penny or actually doing any work on the ships at all, Congressman Lenroot expostulated,

> This American International Corporation is to receive $6 million for what? For furnishing as they say, the 'know how.' In the testimony the only 'know how' that they have furnished the Government is knowing how to loot the Treasury, and they have been exceedingly successful in that.

EFC General Manager Piez's statement to the Senate Commerce Committee showed that one half of the stock of the AIC had been set aside on creation of the company for sale to stockholders and employees of the National City Bank of New York City, and that President Frank A. Vanderlip of the NCB was one of the organizers and directors of the AIC. In addition, Piez pointed out that Stone, partner in Stone & Webster, was president of the AIC, and that E. S. Webster, the other partner, was a director of the AIC. Furthermore, four other AIC directors, Otto H. Kahn (of Kuhn, Loeb & Co.), Percy A. Rockefeller, Theodore N. Vail and William Woodward, were also members of the National City Bank's executive committee.

American International Corporation Financed the Bolshevik Revolution in 1917

What Mr. Martin did not cover in his article was beautifully expounded upon by Antony C. Sutton in his book Wall Street and the Bolshevik Revolution, which can be read in full online. (17) Sutton details the ownership of the office building at 120 Broadway (home of the Equitable Trust), which was the address for the AIC. Title to the real estate was held by the Equitable Office Building Corporation, an entity created by General T. Coleman du Pont (a grandson of E.I. du Pont and cousin to Pierre), then president of du Pont de Nemours Powder Company, whose attorney for the transaction had been Dwight Morrow--J.P. Morgan' attorney. Du Pont, along with the Swedish Nobel company, had a virtual monopoly over all gunpowder and other explosives throughout the world. The du Ponts were also alleged to be fascists, involved in a military plot to overthrow Franklin Roosevelt. (18) In 1916 the cashier of the Berlin Equitable Life Insurance office was William Schacht, the father of Hjalmar Horace Greeley Schacht — later to become Hitler's banker, and financial genie. William Schacht was an American citizen who worked thirty years for Equitable in Germany. The evidence Sutton presents suggests that the Federal Reserve Bank of New York, heavily laced with Morgan appointees, and the Morgan-controlled American International Corporation--two of the operational vehicles for influencing foreign revolutionary movements--were both located at 120 Broadway. The real estate where this business was conducted was owned by a family which made its fortune from gunpowder, explosives and weapons used in war; then diversified into chemicals made from petroleum.

The certification of incorporation of the Federal Reserve Bank of New York had been filed May 18, 1914. It provided for three Class A directors representing member banks in the district, three Class B directors representing commerce, agriculture, and industry, and three Class C directors representing the Federal Reserve Board. Of the nine directors of the Federal Reserve Bank of New York, four were physically located at 120 Broadway and two were then connected with American International Corporation. At least four members of AIC's board were at one time or another directors of the Federal Reserve Bank of New York.

In 1919 a group of industrialists from 120 Broadway formed the American-Russian Industrial Syndicate Inc. to exploit Russian markets. The financial backing for the new firm came from Guggenheim Brothers, 120 Broadway, previously associated with William Boyce Thompson (Guggenheim controlled American Smelting and Refining, and the Kennecott and Utah copper companies); from Harry F. Sinclair, president of Sinclair Gulf Corp., also 120 Broadway; and from James G. White of J. G. White Engineering Corp. of 43 Exchange Place —

the address of the American-Russian Industrial Syndicate. You may remember from Part 5 that the daughter of William Boyce Thompson was married to A.J. Drexel Biddle, Jr. Thompson was heavily involved in investments in Russia during the Bolshevik revolution. According to WALL STREET AND THE BOLSHEVIK REVOLUTION by Antony C. Sutton, "there is evidence of transfers of funds from Wall Street bankers to international revolutionary activities. Thompson — a director of the Federal Reserve Bank of New York, a large stockholder in the Rockefeller-controlled Chase Bank, and a financial associate of the Guggenheims and the Morgans — stated (substantiated by a cablegram) that he (Thompson) contributed $1 million to the Bolshevik Revolution for propaganda purposes." (19)

John Pierpont Morgan died on 31st March, 1913, the same year the Federal Reserve Act was passed and the year Coleman du Pont announced plans for a 40-story, $30 million Equitable Building at 120 Broadway, with 2,300 offices for 15,000 people. Control of the syndicate began to shift at that point. It appears that the United States government became a member of the syndicate by its creation of AIC and authorization of subsidiaries throughout the world. What is not clear is whether the U.S. Government acquired stock in those subsidiaries, as it had in the shipping companies mentioned above, and, if so, how the stock was held. AIC moved into the Equitable Building once it was completed, along with the Federal Reserve Bank of New York. By 1930 National City Bank (now called Citigroup), which owned the majority of stock in AIC, had acquired the Equitable Trust and dominated the member banks in the New York Fed. Is it possible that the U.S. Government continued to be a shareholder, having become now totally dependent upon profits arising out of those shares? Just as Queen Elizabeth I had become dependent upon her share of the loot captured by Sir Francis Drake? As Queen Victoria had depended upon profits from opium pushed on China by the East India Company?

Documentation Proves the Harriman-Bush Investment in German Shipping Long Before Hitler Came To Power

To find the answer--or at least a part of it--we must look at the documents themselves. During the World War I years, the president of American Ship and Commerce Corporation was R. H. M. Robinson (a brother of H. M. Robinson of the United States Shipping Board). Robinson graduated from the U.S. Naval Academy in 1896 and with a degree in architecture and engineering from the University of Glasgow, Scotland, in 1898. He was commissioned as officer in the construction corps of the U.S. Navy in 1898. He resigned from the services in 1913 to enter private business. During his stay with the navy, he served at Cramp's Shipyard, Philadelphia. From 1913 to 1917 he was general manager, and subsequently managing director, of the Lake Topedo Boat Company, at Bridgeport, Connecticut. In 1917, he became president of the Merchant Shipbuilding Corporation, and the Chester Shipbuilding Corporation, Ltd., which were later merged. He remained as president of this company until it became an investment trust under the name of the Merchant-Sterling Corporation, a company affiliated with Brown Brothers, Harriman, apparently, since another of its directors was a partner in that investment bank--Elbridge Gerry, son of Elbridge T. Gerry and Cornelia Harriman. (20) In 1919, Robinson became vice-president, and subsequently president of the American Ship and Commerce Corporation, and the United American Lines, and continued as president of the latter until 1926, when it was sold to the Hamburg-Amerika Line. He remained president of the American Ship and Commerce Corporation until 1931. In July of that year, the court appointed Mr. Robinson and C. T. Jaffray, of Minneapolis, as temporary trustees, of the Minnesota and Ontario Paper Company. (21) Intriguingly, the Minneapolis Jaffray referred to above, also president of the Minneapolis, St. Paul & Sault Ste. Marie, "Soo Line," was the same man who founded the brokerage firm for which Meshulam Riklis was employed shortly after completing his degree, a fact which tends to explain how Riklis knew of the value of Penn Central bonds. It is very likely Riklis was being used as a tool of this same clique which was originally called AIC.

George Herbert (Bert) Walker--Prescott Bush's father-in-law--had organized the American Ship and Commerce Corporation (AS&CC) as a unit of the W.A. Harriman & Co., with contractual power over Hamburg-Amerika's affairs, allowing Harriman to take control of the Hamburg-Amerika Line in 1920 as attorney-in-fact after negotiations with the line's bankers, M.M. Warburg, and with its post-World War I chief executive, Wilhelm Cuno, who during the war had been in charge of the German grain office (1914-16), then assistant to food

ministry (1916-17) before becoming general director of the line (1918-22, 1926-33), while at the same time serving as Chancellor of the German republic (1922-23). In the 1930-32 drive for a Hitler dictatorship, Wilhelm Cuno contributed important sums to the Nazi Party. The AS&CC stock was held by the Harriman Fifteen Corp., managed by Prescott Bush and Bert Walker through their investment bank, Brown Brothers Harriman. (An important timeline has been created at the website at (Click.). See also (Click)

The North German Lloyd shipping line, in 1902, reached a 10-year agreement with International Mercantile Marine Company which J. P. Morgan organized in 1902, and with the Hamburg-Amerika Line, to avoid undue competition, an agreement similar to the one Rockefeller and the Pennsylvania RR made at the same time. Before World War I, the Hamburg-Amerika Line had the largest merchant fleet in the world, with at least 175 ships, all of which were seized during the first war. By 1932 Hamburg-Amerika again owned 118 oceangoing ships, and North German Lloyd had also regained its position. The German Reich in 1933 became majority shareholder of both shipping lines. In 1942 the Alien Property Custodian (located at 120 Broadway) again seized all assets of these companies.

Items listed in the records of the Office of the Alien Property Custodian, showing all property seized during WWII, appear at the NARA website. Included among many other items are:

(1) All of the assets of the Hamburg American Line and of the North German Lloyd and of all the American branches jointly operated by them;
(2) Interest of Fried. Krupp A.G. in 3 contracts relating to patents, 2 of which are with the Krupp Nirosta Co., Inc., and 1 of which was with the United States Steel Corporation, and all profits of Fried. Krupp A.G. resulting there from;
(3) All of the capital stock of the Union Banking Corporation and all rights of the Bank voor Handel en Scheepvaart and the August Thyssen Bank in the debts of said corporation;
(4) All rights of IGF [I.G. Farben] in two contracts with E.I. DuPont de Nemours & Co., each relating to a patent [more than 30 items similar to this one connecting DuPont to Nazis];
(5) All rights of IGF in a contract with Hercules Powder Co. relating to a patent agreement;
(6) A debt owing to Amsterdamsche Bank N.V. by Brown Brothers Harriman & Company. (22)

The shipping lines were supplied with steel by Fritz Thyssen, who was able to hide his assets from Allied investigators after the war. According to John Loftus, Thyssen did not need any foreign bank accounts because his family secretly owned an entire chain of banks. He did not have to transfer his Nazi assets at the end of World War II; all he had to do was transfer the ownership documents - stocks, bonds, deeds and trusts--from his bank in Berlin through his bank in Holland to his American friends in New York City: Prescott Bush and Herbert Walker--Thyssen's partners in crime. What Loftus did not consider, however, was whether Thyssen, Bush and Walker were all just working to protect property which was subject to loans made by the Syndicate. Their loyalty was not to either America or Germany--but always to the Syndicate.

Allied interrogators focused on one Dutch bank in particular, the Bank voor Handel en Scheepvaart, in Rotterdam, which did a lot of business with Thyssen. In 1923, as a favor to him, the Rotterdam bank loaned the money to build the very first Nazi party headquarters in Munich. Allen Dulles was also the Rotterdam bank's lawyer and also represented Baron Kurt Von Schroder--Nazi trustee for the Thyssen companies, now claiming to be owned by the Dutch. After Loftus published "The Secret War Against the Jews," in 1994, further research was done on the Dutch connection. He had mentioned that Fritz Thyssen (and indirectly, the Nazi Party) had obtained their early financing from Brown Brothers Harriman, and its affiliate, the Union Banking Corporation. Union Bank, in turn, was the Bush family's holding company for a number of other entities, including the "Holland American Trading Company." In 1981, investigative reporter Paul Manning had written: "Thyssen's first step in a long dance of tax and currency frauds began [in the late 1930's] when he disposed of his shares in the Dutch Hollandische-Amerikanische Investment Corporation to be credited to the Bank voor Handel en Scheepvaart, N.V., Rotterdam, the bank founded in 1916 by August Thyssen Senior." Manning had unwittingly

documented two intriguing points: 1) The Bush's Union Bank had apparently bought the same corporate stock that the Thyssens were selling as part of their Nazi money laundering, and 2) the Rotterdam Bank, far from being a neutral Dutch institution, was founded by Fritz Thyssen's father. (23)

Baron Kurt von Schroder and Johann Groeninger (a partner of Prescott Bush) were directors of a Thyssen foundry, while von Schroder was also treasurer of a group that raised money to arm the Nazi Party. (24) He and Hjalmar Schacht, son of an Equitable Trust executive, together made the final arrangement for Hitler to enter the government at the Berlin office of Shroder Bank on January 4, 1933--a meeting attended by John Foster Dulles and Allen W. Dulles of the New York law firm, Sullivan and Cromwell, which represented the Schroder Bank. Von Schroder was also vice president and director of the Hamburg-Amerika Line and sent his grandson to New York to tour Brown Brothers Harriman offices in December 1932--on the eve of Hitler's ascension.

A founding director of both the Union Banking Corp. and the American Ship and Commerce Corp.--Samuel Pryor-- was executive committee chairman of Remington Arms (bought in 1933 by Du Pont, legal owner of the building at 120 Broadway). The U.S. Senate arms-traffic committee investigated Remington Arms, a member of an explosives cartel with I.G. Farben and found that the Nazis and other German political groups were nearly all armed with American guns, which were shipped from America to the Antwerp harbor and transshipped by river barges and carried through Holland without police interference. Pryor and his son-in-law, Joseph Reed (an employee at Brown Brothers Harriman), had developed the exclusive and super-secret residential enclave called Jupiter Island in Florida, inhabited by Harriman and Skull and Bones associates, as described in Tarpley and Chaitkin's Unauthorized Biography of George Bush. (25)

Under official Nazi supervision, the Hamburg Amerika Line (Hapag) and North German Lloyd Company approved a merger in a joint board meeting in Hamburg on Sept. 5, 1933. Prescott Bush's American Ship and Commerce Corp. installed Christian J. Beck, a long-time Harriman executive, as manager of freight and operations in North America for the new joint Nazi shipping lines (Hapag-Lloyd) on Nov. 4, 1933. Two months before moving against Prescott Bush's Union Banking Corporation, the U. S. government ordered the seizure of all property of the Hamburg-Amerika Line and North German Lloyd, under the Trading with the Enemy Act. The investigators noted in the pre-seizure report that Christian J. Beck was still acting as an attorney representing the Nazi firm. According to the New York City Directory of Directors, George H. Walker was a director of American Ship and Commerce from its initial organization through 1928.

Warburg Link--Brown Brothers, the Fed and Rothschilds

It would appear that Brown Brothers Harriman's investment in 1917, in what began much earlier as a Pennsylvania Railroad diversification into shipping, had long-standing connections to Germany because of the railroad's securities which were marketed in Hamburg by the Warburg Bank as early as 1881. To understand how this investment by Averell and Bunny Harriman and their associates, G.H. Walker and his son-in-law Prescott Bush, put them in partnership with Nazis, it is useful to review Max Warburg's family relationships. Max worked for the German banking house of M. M. Warburg & Company, founded in Hamburg in 1798 by his great-grandfather. The Warburgs were an aristocratic Jewish family of rabbis and merchants who had engaged in banking and commerce in Europe for nearly 300 years. Max's mother was an Oppenheim, whose father operated a family business dealing with precious stones, and was also related to the Goldschmidts. The Warburg private bank had made connections with the Rothschilds, whose bank was begun in Frankfurt and branched out into four other European cities. By 1871 Amschel Rothschild, who operated the bank in Frankfurt, died childless, leaving the bank to be liquidated by Nathan of the London branch. Amschel had been treasurer of the German Confederation meeting in Frankfurt--in a sense the first finance minister of the Prussian Empire ultimately born of the Confederation, as well as being involved in every German investment in factories, railways and highways. In 1851 Prussia appointed Bismarck its representative at the German Confederation meeting in Frankfurt, and Amschel recognized someone he could use. The German monarchy was weakened and eventually dissolved. The Rothschilds' German branch assets were liquidated during this time, and Rothschilds thereafter used the Warburgs in Hamburg as their agent in German investments. It should

be noted here that this timing of moving the assets of the Rothschild's Frankfurt bank corresponds with the timing of the massive amount of funds advanced to John D. Rockefeller to buy up his competition in the Pennsylvania and Ohio oil fields.

Max Warburg seemed to step in where Amschel left off in advising the Prussian officials. Kaiser Wilhelm's mother was a daughter of Queen Victoria, and his uncle Bertie, the Prince of Wales, became King Edward VII in 1901. Bertie had been at Cambridge with Nathaniel Mayer de Rothschild, whose investment advice he trusted, whose bank in London liquidated the Frankfurt bank. N.M. Rothschild & Co., in 1875 financed the purchase of control of the Suez Canal by Queen Victoria and Disraeli, bailed out Barings' losses in Argentina in 1890 and financed Cecil Rhodes and his Continental associates in acquiring all the gold and diamond mines in South Africa. (26) Max Warburg remained in Germany and helped to stabilize German currency after the first World War, having been sent to the Paris Peace Conference in 1919. He was adviser to the Reichsbank in 1924, and had long worked with Lord Milner and others of the British Round Table concerning joint projects in Africa and Eastern Europe. He was an adviser to Hjalmar Schacht for several decades and was a top executive of Hitler's Reichsbank. When the Nazis took over Germany in 1939, Max fled to the United States. [See David Farrer, The Warburgs: The Story of A Family (New York: Stein and Day, 1975)].

Paul and Felix Warburg had long preceded Max in America, each married to daughters of Rothschild's chief American agent, Kuhn, Loeb & Co.--which had acquired the Pennsylvania Railroad as a client, in 1881, using M.M. Warburg in Hamburg to market the railroad's bonds in Germany. The relationship that developed between Jacob Schiff and the Warburg Bank no doubt led to the marriages. Felix was the first Warburg brother to relocate in 1895, when he married Jacob Schiff's daughter. Schiff handled most of the railroad reorganizations at the turn of the 20th century, and was the financier for E.H. Harriman's acquisitions in the 1890's. Kuhn, Loeb served as the link that facilitated the Harriman-Walker-Bush ties with German industry that Warburgs had financed, and strangely enough, the New York chief of British Intelligence, Sir William Wiseman, was a Kuhn, Loeb partner--while the brother of two of his banking partners was head of the German Secret Service. After America's entry into the war Wiseman left Kuhn, Loeb to be intermediary between the Wilson administration (Col. House) and the British government.

Paul Warburg married a Loeb--Schiff's wife's half-sister, both of whom were daughters of Solomon Loeb. Paul had begun working in 1886 with a Hamburg exporting firm, afterwards serving in shipping and banking houses, first at London, then at Paris. In 1895 he was admitted as partner in the Warburg firm at Hamburg--the same year he married Nina J. Loeb, though they did not move to New York until 1902--when he joined Kuhn, Loeb. Paul was well-versed in the central banking organism in the principal European countries, notably Germany, France, and England. He assisted bankers and politicians in the U.S. who were urging fundamental reform in the American banking system. His "recognized knowledge" of the subject brought him in contact with Senator Nelson W. Aldrich (father-in-law of John D. Rockefeller, Jr.), who influenced Congress in 1908 to create a national monetary commission to investigate a central bank and report on a feasible plan.

The tentative plan of legislation submitted by Senator Aldrich in 1911, was virtually drawn up by Paul Warburg. Paul became a member of first Federal Reserve Board from 1914-18 and wrote The Federal Reserve System (1930). Besides being chairman of the International Acceptance Bank, Paul Warburg was a director of important railroads and corporations, and a trustee or director of several educational institutions. He was also chairman of the Manhattan Company, the water company founded by Aaron Burr which acted as a bank in competition with Alexander Hamilton's Bank of New York. By 1930 Chase Bank had merged with Equitable Trust--controlled by the Rockefeller family--which would merged with Warburg's Manhattan Co. in 1956. From 1921 to 1926 Paul Warburg was a member of the advisory council of the Federal Reserve Board, and he served as chairman of the economic policy commission of the American Bankers' Association. In 1930 he published The Federal Reserve System. Its Origin and Growth (2 vols.). The Warburg family was not only intimately connected with the creation of the Federal Reserve banking system in the U.S., but helped in designing the infrastructure for the income tax, as well as the tax-exempt corporations and charitable foundations which now control this country. The Warburg brother associated with that effort was Felix Warburg.

Conclusion
In previous parts of this series we looked at how surplus capital (likely from the opium trade) was combined into a global syndicate, with management entrusted to the faction which could promise the best accounting and return to the investors. The principal remained intact with the profits continually reinvested into other enterprises, vested in the name of an entity created by the Syndicate's nominee who acted as a trustee for the unnamed Syndicate investors in their proportionate shares. Around 1930 we have seen that control shifted from companies and banks dominated by J.P. Morgan to those under direction of the Rockefellers. What intervened to assist in the shift was the creation of the Federal Reserve Bank, with control emanating from the New York Fed located at 120 Broadway.

As mentioned in Part 3, the capital which funded George Bush's oil companies beginning in the 1950's came from sources connected to the Syndicate which we described in Part 2. Bush operated Zapata Offshore as he was trained to do by Edwin Pauley, who had been sponsored into FDR's government and the Democratic National Committee by Ed Flynn, who was DNC director during 1940-42. Flynn, a New York Catholic, Knight of Malta, had supported Al Smith, who became an employee of John J. Raskob and DuPont. (27) Du Pont, whose corporations had control of the world's munitions and had patent-sharing agreements with numerous Nazi chemical companies, also held title to the building which housed the Federal Reserve Bank of New York and the American International Corporation, as well as numerous Syndicate-connected corporations. While employed within FDR's administration, Pauley worked secretly to ensure that the U.S. government supported giving an oil monopoly in Saudi Arabia to a California oil company connected to the old Standard Oil Trust.(28)

The son of Pauley's protégé is now President of the United States and is still very much aligned with the leaders of Saudi Arabia, even though their "wayward" son and brother is accused of orchestrating the attack on the World Trade Center and Pentagon. The question we must ask is whether the creation of Saudi Arabia in 1932 had itself been orchestrated much earlier than 1932, by the same forces who took control of the Syndicate at the time the shift occurred. Could it be that the vast oil reserves of that region are owned by the same investors who own the stock of the Federal Reserve? It appears that the American International Corporation was designed in 1915 as a new financial model created to allow the U.S. Government to enter into the syndicate as a full partner, with a right to share in the profits--much as the British government shared in the fruits of its colonial empire. The question becomes whether the government received its share and, if so, how the profits were accounted for. Were they funneled back into the U.S. Treasury? If there were losses, how was the Government's share collected? Was there a scheme devised for a secret accounting system that would be revised as technology advanced? Could Pug Winokur have been a part of that accounting system? Could Enron have been a secret method of moving money between syndicate members?

There is still so much we do not understand about how the money works. There is so much research to do, and so many people needed to help us re-create our American system.

NOTES:
1 http://www.tabletnewspaper.com/old%20tablet/vol1iss1/grassy11.htm and http://www.humanitas-international.org/showcase/chronography/timebase/1942tbse.htm and http://www.thirdworldtraveler.com/Fascism/Trading_Enemy_excerpts.html and http://www.clamormagazine.org/issue14.3_feature.3.html In 1980, when George H.W. Bush was elected vice president, he placed his father's family inheritance in a blind trust. The trust was managed by his old friend and quail hunting partner, William "Stamps" Farish III. Bush's choice of Farish to manage the family wealth is quite revealing in that it demonstrates that the former president might know exactly where some of his inheritance originated. Farish's grandfather, William Farish Sr., on March 25th, 1942, pleaded "no contest" to conspiring with Nazi Germany while president of Standard Oil in New Jersey. He was described by Senator Harry Truman in public of approaching "treason" for profiting off the Nazi war machine. Standard Oil, invested millions in IG Farben, which opened a gasoline factory within Auschwitz in 1940.

2 http://www.tsha.utexas.edu/handbook/online/articles/view/PP/dop9.html and http://www.gogulf.net/BackIssues/PDF's%20for%20Website/BushStory.pdf and http://www.virginia.edu/igpr/apagoilhistory.html

3 SEC filings for 1976, prior to the merger with Entex, show that directors of HNG included John H. Duncan (also a member of the audit committee)--chairman of the board of Gulf Consolidated Services, Inc. in Houston and chairman of the executive committee of Gulf + Western Industries, Inc. in New York--since 1968, who owned 40,000 shares of HNG; C. Thomas Clagett, Jr. (also a member of the audit committee), whose occupation was investments in
Washington, D.C. -- who owned 252,226 shares individually plus over 700,000 additional shares as trustee for family members; W.S. Farish III ; . Robert R. Herring, chairman and CEO of HNG, director since 1964--president of Rice University in 1980; Charles Rathgeb, chairman and CEO of Comstock International, Ltd. in Toronto, Ontario, Canada. The foremost Houstonian shareholder was David Hannah who had arrived in Houston from Scotland in 1908 and became involved in the cotton exchange. His son (or possibly grandson) Doug would become a close friend of George W. Bush in the 1970s.

4 http://www.magie-noire.be/niouz/us_ghwb.htm

5 http://www.library.upenn.edu/webbin/byteserver/etext/lippincott/prail/1850/1850.pdf

6 Liverpool was the center of cotton and linen trade in England, with connections to Brown, Shipley (which is now part of the giant Kredietbank Luxembourg)--a link to the Bank of England, its next-door neighbor in the City of London since 1863. The Brown name, while not as dominant in American investment banking as the Morgan name, has the longest history. Alexander Brown, an auctioneer from Northern Ireland, emigrated to the United States and in Baltimore, established an eponymous firm that is now America's oldest investment bank -- BT Alex. Brown. His sons, the Brown Brothers of England -- William, George, John, and James -- followed in their father's footsteps. In 1810, William founded a merchant bank in England (called Brown Shipley). George and John branched out to Philadelphia in 1818 as Brown Brothers & Co, and then James established the New York office in 1825. Today, Brown Brothers Harriman & Co. is America's oldest owner-managed private bank. After its founding in America, and in partnership with the Brown Shipley, the firm established offices in New York (1825) and Boston (1845), making its money by financing the textile industry and other forms of trade and transportation, and capturing a sizable portion of the East India trade. The transatlantic partnership ended in 1917. In 1931, Brown Brothers combined its business and client base with two other family-owned firms with serious pedigrees -- they had been founded by members of the famed Harriman family (one was founded by W. Averell Harriman, who became Governor of New York).
http://www.iwon.com/home/careers/company_profile/0,15623,378,00.html

7 http://www.theshipslist.com/ships/lines/american.html and http://www.wwnorton.com/catalog/fall98/line.htm http://www.prrths.com/Downloads/PRR1890.pdf Certain records of the American Steamship Company may be found at Temple University, which also holds records of the Philadelphia Mail Steamship Company. http://www.library.temple.edu/urbana/prr-06.htm It is clear that the PRR had an interest in these companies from the obituary of General William Wallace Atterbury, who died Sept. 20, 1935. Atterbury had been chairman of the PRR during the Depression and had negotiated loans from the Reconstruction Finance Corporation, the largest of which was $77,000,000. "His activity in connection with other forms of transportation caused him to be called as a witness before the United States Senate committee investigating air and ocean mail contracts early in 1934. He testified that he conferred with former Postmaster General Brown concerning a mail contract for the Philadelphia, Mail Steamship Company, in which the Pennsylvania was interested, but denied that there had been anything improper in such a conference. At the same time he took the occasion to deny vigorously that the railroads had hampered the development of airlines in the country by acquiring an interest in them." http://www.indianamilitary.org/GeneralAtterbury/Obit.htm Atterbury's father, formerly an attorney in Detroit, had given up the law to become a Presbyterian home missionary; later he was

secretary of the American Bible Society. William Atterbury went to Yale University, where he helped to pay his way through Sheffield Scientific School by tutoring. He graduated in 1886, and became an apprentice in Pennsylvania Railroad shops at Altoona, Pa. He was promoted to the headquarters office in 1903 directly by president A. J. Cassatt. In 1925, upon the retirement of Samuel Rea, Atterbury succeeded to the presidency of the Pennsylvania Railroad. The railroads were now being faced with competition from other vehicles of transportation, and the new President, to meet this threat, steered his company into part ownership of airplane, bus (Greyhound), and truck lines, and the door-to-door collection and delivery of freight.

8 http://www.titanicinquiry.org/USInq/AmInq03Franklin01.html An inquiry into the Titanic disaster revealed the following details about the corporate structure of the International Mercantile Marine Co.:

Senator SMITH. What composes the International Mercantile Marine Co.?
Mr. FRANKLIN. In a general way, the International Mercantile Marine Co., through its various ramifications, owns the White Star Line, the American Line, the Red Star Line, the Atlantic Transport Line, and the National Line, and the majority of the stock of the Leyland Line.
Senator SMITH. What is the capitalization of your company?
Mr. FRANKLIN. The capitalization, in round numbers, is $100,000,000 between the preferred and common shares; $52,000,000 of 4 1/2 per cent bonds; about $19,000,000 of 5 per cent bonds, and some underlying bonds, amounting to about $7,000,000.
Senator SMITH. What is the business of the company?
Mr. FRANKLIN. The business of the company is that they own steamers which are operating in various trans-Atlantic and trans-oceanic trades, carrying freight and passengers.
Senator SMITH. Does the International Mercantile Marine own the White Star Line or control it?
Mr. FRANKLIN. The International Mercantile Marine Co. owns or controls the International Navigation Co. (Ltd.) of England, which company owns the shares of the Oceanic Steam Navigation Co., which company owns the White Star steamers.
Senator SMITH. How many ships are there in the White Star Line, so-called?
Mr. FRANKLIN. I could not tell you that, but I have a record here that could give you the information. We will produce an annual report which will show that. We can come back to that, Senator. It will have to be worked out of our report.
Senator SMITH. I will pass for the moment, that inquiry, and ask if you can give us a detailed statement of the owners, officers, and directors of those various companies composing the International Mercantile Marine Co.?
Mr. FRANKLIN. I could not do that in detail without looking it up for you, because a great many of the companies are located abroad; but I can give you the directors of the International Mercantile Marine Co.
Senator SMITH. Can you do so now?
Mr. FRANKLIN. Yes, sir.
These are the directors: C. A. Griscom, E. C. Grenfell, John I. Waterbury, the Right Honorable Lord Pirrie, George W. Perkins, Charles Steel, J. Bruce Ismay, Percy Chubb, E. J. Berwind, Harold A. Sanderson, P. A. B Widener, Charles F. Torrey, J. P. Morgan, Jr.
Senator SMITH. Who are the officers of that company?
Mr. FRANKLIN. The officers are: President, J. Bruce Ismay; vice presidents, E. C. Grenfell, Harold A. Sanderson, and P. A. S. Franklin.
Senator SMITH. Where do the officers of the company reside?
Mr. FRANKLIN. Mr. Ismay, the president, resides in Liverpool; Mr. Grenfell resides in London; Mr. Sanderson resides in Liverpool; Mr. Franklin resides in New York.

See also http://www.ushistory.org/philadelphia/timeline/1898.htm and
http://www.navpoint.com/~arpit/cramp.htm and
http://www.titanicinquiry.org/BOTInq/BOTReport/BOTRepWSL.html and
http://belgium.rootsweb.com/migr/ships/tr_lines_rsl.html
Griscom, Clement Acton (Mar. 15, 1841 - Nov. 10, 1912), financier and ship-owner, born in Philadelphia, Pa., was educated in the public and private schools of Philadelphia, graduating from the Friends' Academy in 1857

at the age of sixteen. At nineteen he started in business as a clerk with the importing firm of Peter Wright & Sons of Philadelphia, which he encouraged to purchase their own sailing ships, and later steamships. Peter Wright & Sons became the agents of the American Steamship Company, operating between Philadelphia and Liverpool, which was organized in 1871 and controlled by the Pennsylvania Railroad Company. In the same year the firm became the agents for the International Navigation Company, of which Griscom was made vice-president and in 1888 was elected president. The ships of the International Navigation Company, generally known as the Red Star Line, operated under a Belgian charter (the Société Anonyme Belge-Américaine). In 1884 the company bought the ships of the American Steamship Company (the American Line) and in 1886 the Inman Line was purchased from the British owners. In 1902 the International Mercantile Marine Company was formed with help from J.P. Morgan, and the International Navigation Company merged into it. Griscom was president of this new company for two years and then served as chairman of the board of directors until his death.

Henry Threlfall Wilson founded the White Star Line in 1850 during the era of sailing ships, trading mainly to southern Australia after gold was discovered there. The firm and rights to its name were bought from Wilson for just £ 1,000 by Thomas Henry Ismay in 1867, with a view to expanding into the increasingly-profitable transatlantic passenger trade. In 1869, he formed the 'Oceanic Steam Navigation Company' to start a high-quality steamer service from Liverpool to New York. Harland and Wolff of Belfast [builder of the Titanic; Viscount Pirrie (1847-1924), led Harland & Wolff from 1896-1924,] built his first steamships during the following two years. Joseph Bruce Ismay became his father's partner in 1891, and in 1894 he first met William J. Pirrie (later, Lord Pirrie) who became the chairman of Harland and Wolff. J. Bruce Ismay became the Chairman of what was still called 'The White Star Line' in 1899, on his father's death. Ismay began almost immediately to expand the company's steamship services, buying in new ships from Pirrie. Ismay may have left himself over-extended by his new investments, because in 1902 the Oceanic Steam Navigation Company were approached by the International Mercantile Marine Company (IMMC), led by the American millionaire John Pierpoint Morgan. Morgan wanted to add control of the North Atlantic liner market to his control of American railways, and gave Ismay a Directorship on the IMMC board to do it. White Star Line ships still had British registration, flew the Red Ensign and were staffed by British officers, but the control was by and for American interests. Ismay's grand ambitions of seizing the Atlantic routes from government-sponsored Cunard were to be funded with American money. This was probably his biggest mistake, as he gradually lost control over the company his father had built. However, one of his fellow-directors was to be Lord Pirrie, whose Harland and Wolff shipyard was being developed into the exclusive provider of the large and opulent liners of the White Star Line. As Lord Mersey was to highlight during the British Board of Trade Inquiry, 'Titanic' was thus completely American-owned, as IMMC owned the capital assets of the Oceanic Steam Navigation Company.
http://www.dalbeattie.com/titanic/whitstar.htm
Perkins, George Walbridge (Jan. 31, 1862 - June 18, 1920), started work at New York Life Insurance before joining J. P. Morgan & Company on Jan. 1, 1901. He relinquished most of his duties with the New York Life but remained connected with it until 1905. He took a leading part in the formation of the International Harvester Corporation, International Mercantile Marine Company, and Northern Securities Company. As chairman of a finance committee of the Young Men's Christian Association, he raised $200,000,000 for welfare work among American soldiers abroad. He was an original Trustee of Carnegie Endowment for International Peace.

Charles Steel, was an Englishman, who entered the employ of the Baltimore & Ohio when a young man and continued with it until his death. http://ftp.rootsweb.com/pub/usgenweb/wv/taylor/bios/s340-001.txt

Percy Chubb, an insurance broker from New York. http://www.saumonquebec.com/anglais/r3001f.htm In the spring of 1882, Thomas Caldecot Chubb and his son Percy opened their marine underwriting business in the seaport district of New York City. Having collected $1,000 from each of 100 prominent merchants to start their venture, they focused on insuring ships and cargoes. The Chubbs were adept at turning risk into success.
http://www.expo21xx.com/popup/5237.htm

Edward J. Berwind was the president of the Ocean Coal Company that operated the Ocean Number-One mine in Herminie and the Number-Two mine just inside Hempfield Township. Edward later became the president of the Berwind-White Coal Mining Company (Ocean's parent company) after the death of his brother Charles. The Herminie Land Company comprised the privately owned properties on the south side of Sewickley Avenue occupied by business owners. The property on the north side of the street consisted of the coal company "works" and housing for the mine laborers. Other investors in the land company: W. A. (AL) Crist was first a paymaster and later a general manager at Berwind-White. William Buchanan Howell was a farmer, businessman and a founding director of the First National Bank of Herminie. James M. Guffey (originally involved in Gulf Oil) bought and sold coal lands in the Herminie area for E. J. Berwind's mining operations.

P.A. B. Widener, society man and promoter of many enterprises and traction schemes, whose son, George D. Widener of Philadelphia and his son Harry Elkin Widener, were killed on the Titanic--along with John Jacob Astor; Benjamen Guggenheim, a son of Meyer Guggenheim, a member of the Smelter Trust; George D. Wick, Youngstown, Ohio, a coal and iron magnate; Isidor Strauss, merchant and philanthropist, member of the firms of L. Strauss & Co., R.H. Macy & Co. and Abraham & Strauss; Arthur Ryerson of Philadelphia ; William C. Dulles, member of an old Philadelphia family ; C. Duane Williams, Philadelphia; Charles M. Hays, Montreal, President of the Grand Trunk Railroad, one of the most noted railroad men of the country; and Henry B. Harris, owner of the Hudson, Harris and other theaters. http://nsonline.com/titanic/news11.htm

9 http://witewillo.homestead.com/files/book_on_fed.htm

10 The first law to be passed by Congress in 1916 pre-dated the entry by the United States into the war, designed to establish a United States Shipping Board which had authority to create a naval reserve and a Merchant Marine. A board of commissioners would be appointed by the President with the advice and consent of the Senate, and was granted broad powers to construct, equip or acquire ships for commerce and military and naval purposes. This Board was also given the power to form one or more corporations to build, maintain and operate merchant vessels in U.S. commerce. The Board could own stock in these corporations, protect government interests, and sell stock to the public with the approval of the President. The Board's powers gave it complete control over American ships and shipping. Once the U.S. declared war, another law was passed which created an emergency and gave the President broad powers to speed up the build up of a fleet of ships. The Emergency Act creating the Fleet Corporation provided that the majority of the stock of the corporation always should lie in the United States, the United States controlling the majority of the stock, while private capital might acquire the minority stock. In practice the government held all the stock with the exception of a few qualifying shares. This corporation in which the United States was a stockholder could not legally operate Shipping Board vessels, unless it should be impossible to induce private enterprise to purchase or charter them under conditions that the Board approved. We easily could have turned over all our ships to private companies at very profitable rates had the provisions of the Shipping Act been strictly obeyed. The war created exigencies which far transcended those of commerce. Government ownership and operation were imperative. As a result, responsibility for both functions was assumed by the Shipping Board and transferred to the Fleet Corporation. Hence, the Shipping Board, illegally but necessarily, operated vessels through the Division of Operations of the Fleet Corporation. In practice, the main functions of the Shipping Board were carried on by the Fleet Corporation. http://www.ku.edu/~libsite/wwi-www/Hurley/bridge1.htm#ch3
According to Hurley: "The title of the Act indicated its purpose. It reads: 'An Act to establish a United States Shipping Board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a Merchant Marine to meet the requirements of the commerce of the United States with its territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States for other purposes.' The Board was to consist of five commissioners, to be appointed by the President with the advice and consent of the Senate, and was granted broad powers to construct, equip or acquire vessels suitable for commerce and military and naval purposes. Most important of all, it was given the power to form one or more corporations for the purchase, construction, equipment, lease, charter, maintenance and operation of merchant vessels in the commerce of the United States under certain conditions. It could subscribe for the stock of these corporations, protect government interests, and sell stock to

the public with the approval of the President. The Board had other powers which need not be dwelt upon here---powers which gave complete control over American ships and shipping....The creation of a corporation for the performance of an important constructive task had a precedent in the use of the Panama Railway Company during the construction of the Panama Canal by the War Department. The Secretary of War owned all the stock of that company and to the company were entrusted many of the functions of constructing the canal." http://www.ku.edu/~libsite/wwi-www/Hurley/bridge1.htm#ch3 http://www.ku.edu/~libsite/wwi-www/Hurley/bridgeTC.htm#TC and http://www.sff.net/people/K-Mac/otheryards.htm

11 http://www.blancmange.net/tmh/articles/hogisle.html.

12 http://www.english.uiuc.edu/maps/poets/a_f/espada/imperialism.htm

13 http://reformed-theology.org/html/books/bolshevik_revolution/index.html and http://reformed-theology.org/html/books/bolshevik_revolution/chapter_08.htm#AMERICAN%20INTERNATIONAL%20CORPORATION and http://reformed-theology.org/html/books/bolshevik_revolution/appendix_01.htm See also the shareholders of the Federal Reserve Bank of New York at http://www.takeactionnetwork.com/opposition/corruption/Secrets_of_the_Fed/Secrets_of_The_Fed_2.htm . A majority stock of the Federal Reserve Bank of New York was purchased by three New York City banks: First National Bank, National City Bank, and the National Bank of Commerce. An examination of the principal stockholders in these banks, in 1914, and today, reveals a direct London connection. ...

(1) During the early 1800s, the most famous name associated with City Bank was Moses Taylor (1806-1882). Taylor’s father had been a confidential agent employed in buying property for the Astor interests while concealing the fact that Astor was the purchaser. ...Astor, in exchange for providing intelligence to the British during the years before and after the Revolutionary War, and for inciting Indians to attack ...and kill American settlers along the frontier, received a handsome reward. He was not paid cash, but was given a percentage of the British opium trade with China. It was the income from this lucrative concession which provided the basis for the Astor fortune. ...Taylor continued to increase his fortune throughout the war, and in his later years, the youthful James Stillman became his protégé. In 1882, when Moses Taylor died, he left seventy million dollars. His son-in-law, Percy Pyne, succeeded him as president of City Bank, which had now become National City Bank....William Rockefeller, brother of John D. Rockefeller, had bought into the bank, and was anxious to see it progress. He persuaded Pyne to step aside in 1891 in favor of James Stillman, and soon the National City Bank became the principal repository of the Rockefeller oil income.... Moses Taylor’s grandsons, Moses Taylor Pyne and Percy Pyne, owned 15,000 shares of National City stock. ...James Stillman owned 47,498 shares, or almost twenty percent of the bank’s total shares of 250,000.

(2) The second largest purchaser of Federal Reserve Bank of New York shares in 1914, First National Bank, was generally known as "the Morgan Bank", because of the Morgan representation on the board, although the bank’s founder George F. Baker held 20,000 shares, and his son G.F. Baker, Jr., had 5,000 shares for twenty-five percent of the bank’s total stock of 100,000 shares. George F. Baker Sr.’s daughter married George F. St. George of London. ...George Baker, Jr.’s daughter, Edith Brevoort Baker, married Jacob Schiff’s grandson, John M. Schiff, in 1934.

(3) The third large purchase of Federal Reserve Bank of New York stock in 1914 was the National Bank of Commerce (NBC) which issued 250,000 shares. J.P. Morgan, through his controlling interest in Equitable Life, which held 24,700 shares and Mutual Life, which held 17,294 shares of NBC, also held another 10,000 shares of NBC through J.P. Morgan and Company (7800 shares), J.P. Morgan, Jr. (1100 shares), and Morgan partner H.P. Davison (1100 shares). Paul Warburg, a Governor of the Federal Reserve Board of Governors, also held 3000 shares of NBC. His partner, Jacob Schiff had 1,000 shares. This bank was clearly controlled by Morgan, who was really a subsidiary of Junius S. Morgan Company in London and the N.M. Rothschild Company of London, and Kuhn, Loeb Company, which was also known as a principal agent of the Rothschilds. ...The financier Thomas Fortune Ryan also held 5100 shares of NBC stock in 1914. His son, John Barry Ryan,

married Otto Kahn's daughter; Kahn was a partner of Warburg and Schiff in Kuhn, Loeb Company; Ryan's granddaughter, Virginia Fortune Ryan, married Lord Airlie, later head of J. Henry Schroder Banking Corporation in London and New York. ...Mary W. Harriman, widow of E.H. Harriman, also owned 5,000 shares of NBC in 1914. E.H. Harriman's railroad empire had been entirely financed by Jacob Schiff of Kuhn, Loeb Company.

14 http://www.blancmange.net/tmh/articles/hogisle.html. After the war, the government-owned ships would be converted to private use and sold cheaply to many of AIC's directors. For example, shipping tycoon Robert Dollar in 1923 purchased seven ex World War 1 "502 President type" liners from the US Shipping Board. In March 1925 Dollar took over an additional five "535 President type" liners from the Shipping Board (apparently they were owned by the Shipping Board but managed by Pacific Mail Steamship Company in Trans Pacific work). The cost was $5,625,000. Even though this bid was a million dollars lower than Pacific Mail's bid, it was 100% cash whereas the latter's was cash and stock. It was decided that the Pacific Mail bid did not meet the terms of the tender and thus, Dollar Steamship Company gained itself $30 million worth of ships and was now able to start a westbound around the world service. Dollar soon took over the Pacific Mail Steamship Co. In 1929 two more ships were purchased as round the world liners and in a huge expansion, a decision was taken to build two identical passenger liners. The Dollar Line was loaned more than $5,000,000 by the US Government for this construction (the boats were to be used to carry mail and the US Government had a long history of subsidizing ships that were used for this purpose). Eventually, the Dollar family passed ownership of the line to the Government in a swap for canceling the debts of the line. On 15 August 1938, the commission took ownership of the Dollar line. On 1 November 1938, the new entity met for the first time. At that meeting, the name of the company was changed to American President Lines Ltd. After the war, the American President Lines was owned by the US Government. The Dollar family attempted through legal means to recover the company but was unsuccessful. A deal meant that the line was sold and the money split between the Dollar family and the US Government. The company was purchased by a group called APL Associates. http://members.ozemail.com.au/~diving/articles/coolinfo.htm Here it must be remembered from Part Three (Click.) that the American President Lines (APL) was acquired from the government by Ralph K. Davies, a California friend and business associate of Edwin Pauley and Sam Mosher. It was Davies who negotiated the Anglo American oil treaty, as well as acted as a special petroleum consultant to Secretary Ickes.

15 http://www.schuminweb.com/ocean-liners/ships/albert-ballin.htm and http://www.uiowa.edu/~english/profpage/blandon/tlucht/bt-hal.html. Established in Hamburg in 1879-80 as a tramp ship company, they expanded into the emigrant business in 1881 with a fleet of cargo liners. Speed was not a consideration and most westbound passages to New York took 17-19 days. By offering cheaper fares, Carr Line entered into cut throat competition with other Atlantic passenger companies and in 1886 amalgamated with Robert Sloman's Union Line under the title Carr-Union Line. In 1888 the Hamburg-Amerika Line purchased four Carr Line ships, together with their half interest in the Union Line. The remaining ships were bought by Hamburg America in 1890-91. The routes were as follows: 1880-1886, Hamburg - Baltimore - Philadelphia; and 1881-1886, Hamburg - New York.

16 http://pirs.mvr.usace.army.mil/fuds/e-h/ftmiffln/oe/asr/findings/e3.htm Tract No. 1 (846 acres) was purchased by the American International Corporation from Charles N. Black by Deed dated 17 September 1917 and - recorded in the Deed Book of Delaware County in Book 43}, Page 1. Tract No. 7 (81.14 acres) was acquired by the American International Corporation. A portion of this tract was patented to AIC by the Commonwealth of Pennsylvania by Patent Dated 17 December 1918 and recorded in the Deed Book of Delaware County in Book 406, Page 190. The other portion was acquired from the Westinghouse Electric and Manufacturing Company by Deed dated 30 July 1919 and recorded in the Deed Book of Delaware County in Book No. 438, Page 570. The property conveyed by Westinghouse is a portion of the submerged island known as Little Smith island. The United States leased through condemnation (Civil Action No. 3866) a total of 44.16 acres from two unknown lessors for the purpose of constructing an explosives loading and ammunition storage facility for use by the War Department. The dates of the leases were unavailable, but lease negotiations were underway in July 1944. Documentation from the Chief of Transportation, Army Service Forces concerning the

Hog Island Ammunition Terminal discusses 112.06 acres acquired through three separate leases (3.23 acres from the Pennsylvania Railroad, 11.68 acres from M. A. Crothers, and 97.15 acres from the Pennsylvania Co.). By Deed dated 23 July 1930, the United States conveyed to the City of Philadelphia 955.128 acres of land, less exceptions to the Philadelphia, Baltimore, & Washington Railroad (9.098 acres). The deed to the City contained the condition that the property ....shall be held, used and occupied by the said City of Philadelphia for an airport, seaplane base and rail and marine terminal and appropriate industrial purposes, together with municipal purposes incidental to the major uses permitted...and provided that the City is to use Hog Island in conjunction with about 239 acres of land now owned by it, making a total of about 1190 acres, more or less...". The property was conveyed to the City for an air-rail-marine terminal in three tracts as follows: Tract 1—84.280 acres for a Seaplane Base; Tract 2—260.408 acres for an Airport; and Tract 3—610.44 acres for a Rail and Marine Terminal. It should be noted that maps viewed at the Philadelphia International Airport indicated that 1051.52 acres were acquired by the City of Philadelphia from the U.S. Government. This 96.392-acre discrepancy is believed to be due to an increase in acreage from dredging activities conducted by the City of Philadelphia along the Delaware River. The Deed also contained a provision stating that the United States of America may take over the property if required during a National Emergency.

17 http://reformed-theology.org/html/books/bolshevik_revolution/index.html

18 The Du Pont Company already owned all the stock in the Hercules Powder Company, a majority of the stock of another company, fifty percent of another, and minority holdings in fifteen more. Coleman arranged to buy control of Laflin & Rand, the largest competitor, and of the Moosic Powder Company, organizing holding companies to own each, and paying for stock with bonds of the holding companies, thus giving the Du Ponts control without spending a dollar of their money. He organized a super holding company, the E. I. du Pont de Nemours Company of New Jersey, with a capital of $50,000,000, to control all the other companies. He continued organizing and consolidating at a dizzying pace until the Du Ponts controlled all the plants in the country that made military powder and were producing seventy percent of all explosives used in the United States. In four years the stocks of more than one hundred corporations had been acquired, and sixty-four of them eliminated. In the first decade of Coleman's presidency, the Du Pont profits were $50,000,000. In 1907 the United States Government filed suit against the Du Pont concern for violation of the anti-trust law. In the final decree, handed down in 1912, though the divorce of two companies from Du Pont was ordered, yet the net effect upon the great corporation was not serious. By that time its office force had grown so large that Coleman ordered the construction of the huge Du Pont office building and hotel in Wilmington. Meanwhile, Du Pont had been making personal ventures elsewhere. He obtained a controlling interest in the Equitable Life Assurance Society and began erecting for it in New York what was then the largest office building in existence. Needing funds for his $30,000,000 Equitable Building and--always a restless soul--being a little tired of the powder business anyhow, he offered to sell a considerable block of Du Pont stock, of which he was the largest individual holder, to the company. His cousins Alfred and William demurred at the price, and Pierre S. du Pont, with a small group of kinsmen, secretly bought Coleman's entire holding. Upon his recovery, Coleman began to invest more largely in hotels; at one time he owned control of the McAlpin (largely his own promotion), the old Waldorf-Astoria, the Claridge, the Martinique, the Savoy-Plaza, and Sherry-Netherland in New York, the Windsor in Montreal, the Bellevue-Stratford in Philadelphia, and the new Willard in Washington. He also had political aspirations, and in 1908 he became a member of the Republican National Committee. He built a five-million-dollar concrete highway running from one end of Delaware to the other and gave it to the state. He was a candidate for the presidential nomination in 1916, but he received few votes in the Republican convention. He might have been elected United States senator that year had it not been for his cousin Alfred's antagonism. In 1921 the governor of Delaware appointed him senator to fill an unexpired term of a year and a half, and in 1924 he was duly elected senator, serving until he resigned, because of ill health, on Dec. 5, 1928. He died after three years of suffering from cancer of the larynx. Of his five children, Eleuthère Irénée died at eighteen, and the other son, Francis Victor, survived him. There were three daughters, Ellen Coleman, Alice Hounsfield, and Renée de Pelleport. [Dictionary of American Biography, Supplements 1-2: To 1940. American Council of Learned Societies, 1944-1958. Reproduced in Biography Resource Center. Farmington Hills, Mich.: The Gale Group. 2002.]

Pierre Samuel du Pont (1870-1954). After attending Penn Charter School in Philadelphia, Du Pont entered the Massachusetts Institute of Technology, graduating in 1890. In 1899 he left the family company in Wilmington to join his cousin T. Coleman Du Pont at the Johnson Company in Lorain, Ohio. He handled the liquidation of the company's assets, which had recently been sold to the Federal Steel Company, and, with the funds received, reorganized and reequipped the street railway system in Dallas, Texas. Pierre and Coleman du Pont, somewhat reluctantly supported by Alfred, immediately began to reorganize the company and with it the American explosives industry. In 1902 they formed the E. I. Du Pont de Nemours Powder Company, which quickly obtained, largely through the exchange of stock, Laflin and Rand, Eastern Dynamite, and other leading firms. By 1904 the company controlled about 70 percent of the industry's facilities. In carrying out this strategy, Coleman Du Pont was the commander and Pierre the adroit and effective subordinate who, with the assistance of his own able lieutenant, John J. Raskob, conducted many of the intricate negotiations and worked out the details of the complex financial contracts. In 1920 William C. Durant, president of General Motors, found himself in financial difficulty. Because possible failure of General Motors might have jeopardized Du Pont's investment, a Du Pont syndicate rescued Durant, but the price was his holdings in General Motors. Reluctantly, Pierre du Pont became president of General Motors and occupied that office until 1923, when Alfred P. Sloan, Jr., replaced him. Du Pont employed experienced managers from Wilmington to institute the accounting and statistical controls that he and Raskob had earlier perfected. During the depression, du Pont served on President Hoover's Presidential Committee for Relief and the Delaware Employment Relief Committee. In 1933 President Roosevelt appointed him to the Advisory Board of the National Recovery Administration (NRA) and then placed him on the NRA National Labor Board. By 1934 du Pont, disturbed by government spending and by the attacks on the du Pont company in Congress for its wartime profits, returned to his long-held Republican affiliation. He helped, again on Raskob's advice, to found and fund the American Liberty League. Du Pont died at the Delaware Memorial Hospital of a ruptured main blood vessel. He was survived by his wife, his first cousin Alice Belin, whom he had married on Oct. 16, 1915. They had no children.   [Encyclopedia of World Biography, 2nd ed. 17 Vols. Gale Research, 1998; Dictionary of American Biography, Supplement 5: 1951-1955. American Council of Learned Societies, 1977]. In "An American Coup d'État?" by Clayton E. Cramer (History Today, November 1995), it is revealed that the Du Ponts were alleged by General Smedley D. Butler of being involved in a plot to take control of the White House during FDR's administration. Butler was born in West Chester, Pa., the oldest in a family of three sons of Thomas Stalker and Maud (Darlington) Butler, both members of distinguished Quaker families. Reared as a Hicksite Quaker, young Butler was educated at the Friends' Graded High School at West Chester and later at the Haverford School near Philadelphia. Butler is best remembered today for his oft-quoted statement in the socialist newspaper Common Sense in 1935: "I helped make Mexico and especially Tampico safe for American oil interests in 1914. I helped make Haiti and Cuba a decent place for the National City Bank boys to collect revenues in. I helped in the raping of half a dozen Central American republics for the benefit of Wall Street. The record of racketeering is long. I helped purify Nicaragua for the international banking house of Brown Brothers in 1909-12. I brought light to the Dominican Republic for American sugar interests in 1916. I helped make Honduras 'right' for American fruit companies in 1903. In China in 1927 I helped see to it that Standard Oil went its way unmolested.... Looking back on it, I felt I might have given Al Capone a few hints. The best he could do was to operate his racket in three city districts. We Marines operated on three continents."
http://home.iprimus.com.au/korob/fdtcards/Butler.html

By the late 19th century, DuPont was experimenting with new explosives technology first developed in Europe. In 1867 Swedish inventor Alfred Nobel successfully stabilized nitroglycerin to create dynamite, a high explosive providing three times the power of black powder. By the decade following WWI, DuPont had become the world's largest producer of dynamite. In 1930 the Rockefeller family acquired control of Equitable Trust. In 1933 the DuPont company bought a controlling interest in firearms and munitions maker Remington Arms, which it sold in the early 1990s. During World War II, DuPont once again met military demands for high explosives. The war also launched the company's involvement into atomic explosives. DuPont built a full-scale plutonium plant for atomic weapons in Hanford, Washington, and operated the Savannah River nuclear plant following the war. http://heritage.dupont.com/floater/fl_explosives/floater.shtml   On January 1, 1926 an

agreement between du Pont, Dynamit Aktiengesellschaft (DAG) and Verinigte Koln-Rottweiler Pulverfabriken (VKR) was consummated, and was similar to another agreement of the same date between du Pont and Imperial Chemical Industries of Britain. This agreement, debated at length in the 1934 Nye Committee hearings, was found unsigned in du Pont files. It was a gentlemen's agreement that could be denied if discovered. The agreement detailed exchanges of patents and technical information. In defiance to the Treaty of Versailles banning German companies from selling military explosives, it provided a means by which du Pont could sell German produced explosives. The Nye report provides the best summary of the agreement: "In other words, though German munitions companies cannot sell abroad, American companies can sell for them, and to our own government at that." In effect, the agreement between du Pont, DAG and VCR reestablished the pre-war cartel between du Pont, Koln-Rottweiler Pulverfabriken and the British Nobel Dynamite Trust. Under this agreement, du Pont agreed not to erect any powder works in Europe, and the other signers agreed not to erect power works in the United States. Technical information was exchanged among the signatories, and du Pont agreed to inform the others of the quantity, quality and requirements of all powder sales to the United States Government. In 1910, the Justice Department found the agreement a violation of anti-trust laws, resulting in the breakup of du Pont powder works. This resulted in the formation of Atlas Powder and Hercules Powder. Within a few years of the 1910 ruling, du Pont reorganized in Delaware due to its lax regulations of corporations. http://www.spiritone.com/~gdy52150/1920sp2.html . It should be noted that duPont-owned Hercules Powder had a plant in Hercules, California. The town of Hercules also played a role in the Promis software case, as mentioned by Mike Ruppert. http://www.fromthewilderness.com/free/pandora/052401_promis.html

19 http://reformed-theology.org/html/books/bolshevik_revolution/chapter_11.htm
20 http://www.scils.rutgers.edu/~kjohnson/bristol/genhistory.html. With reference to ownership of the Bristol plant: LAKE DELAWARE — Elbridge T. Gerry, 90, died Friday, Feb. 26, 1999, at Lake Delaware Farm, Delhi. He was born on Nov. 22, 1908, the great-great-grandson of Elbridge Gerry, a signer of the Declaration of Independence, governor of Massachusetts and later vice president of the United States, under President James Madison. He is the son of Elbridge T. Gerry and Cornelia Harriman. Graduating from Harvard University in 1931, he began his career with the Hanover Bank. He joined Brown Brothers Harriman & Co., a private bank, in 1936, becoming a general partner in 1956. He was also a general partner of Gerry Brothers & Co. He has held director, trustee and chairmanships in a variety of corporations including Doubleday & Co., Orama Securities Corp., the Los Angeles & Salt Lake Railroad, the Merchant Sterling Corp. and the Biltmore Co. in Biltmore, N.C.; the Oregon Short Line Railroad and the Union Pacific Railroad, the Union Pacific Corporation, the Oregon Washington Railroad and Navigation Company, and the Torsion Balance Company. Prior to his association with Harness Racing, Ebby Gerry was an accomplished polo player, eventually achieving a rank of nine goals. He was elected to the Polo Hall of Fame in the late 1980s. Through this accolade, he achieved the distinction of becoming a double hall of famer, having been elected to the Harness Racing Living Hll of Fame in 1975. With uncle F. Roland Harriman, Mr. Gerry bred and raised many champions at their Arden Homestead Stables.
http://www.thedailystar.com/news/community/obits/1999/03/ob0301.html

21 http://collections.ic.gc.ca/frances/MOREORGANIZES.html and http://collections.ic.gc.ca/frances/newreceivers.html2

22 http://www.archives.gov/iwg/declassified_records/office_of_alien_property_group_131b.html

23 http://www.hapag-lloyd.com/pages/history_main_hlag.html and http://www.baltech.org/lederman/bush-nazi-fortune-2-09-02.html
24 http://motlc.wiesenthal.com/text/x29/xr2964.html The Von Schroder family were heavily involved in the gain and sugar trusts and had been closely tied to Herbert Hoover's activities which helped feed the Germans after WWI so that they had the energy to build up to fight another war.
http://www.takeactionnetwork.com/opposition/corruption/Secrets_of_the_Fed/Secrets_of_The_Fed_2.htm
Like the Warburg family, the von Schroders began their banking operations in Hamburg, Germany. At the turn of the century, in 1900, Baron Bruno von Schroder established the London branch of the firm. He was soon

joined by Frank Cyril Tiarks, in 1902. Tiarks married Emma Franzika of Hamburg, and was a director of the Bank of England from 1912 to 1945.

25 http://www.padrak.com/alt/BUSHBOOK_2.html

26 Alfred and Otto Beit, brothers who were born in Hamburg, Germany, became partners with another German named Julius Wernher in South African mines. It is likely they would have had contact with the Warburg bankers in Hamburg, though no evidence to confirm that suspicion has been found during this research. With Rhodes and others they formed the De Beers company, chartered in London. Alfred Beit became a trustee under Rhodes' will. Wernher was born in Darmstadt, Germany in 1857 where his father was attached to the Grand-Ducal court. Queen Victoria's mother had been Princess Mary Louisa Victoria of Saxe-Coburg-Gotha, and her husband, Prince Albert, was Albert of Saxe-Coburg-Gotha, born near Coburg, Bavaria. One of their daughters was Princess Alice, who married Prince Frederick William Louis of Hesse-Darmstadt, who became Grand Duke of Hesse-Darmstadt. Wernher entered a London bank as a learner, served in the Prussian cavalry in the Franco-German War of 1870-1871, and, like Alfred Beit, took a post in Paris with jeweler and diamond merchant, Jules Porges. One of Queen Victoria's sons--Alfred Ernest Albert, Duke of Edinburgh --married the Grand Duchess Marie Alexandrovna of Russia; Alfred succeeded his father's brother as Duke of Saxe-Coburg and Gotha. Queen Victoria had several other children who married into German aristocracy. It was this area of Germany also where the Illuminati Order was strongest. See http://www.ccel.org/s/schaff/encyc/encyc05/htm/ii.xiii.vii.htm and http://www.ccel.org/php/disp.php3?a=schaff&b=encyc05&p=449&v=thml The following quote is taken from The New Schaff-Herzog Encyclopedia of Religious Knowledge, Vol. V: Goar - Innocent by Philip Schaff : "ILLUMINATI: A name given by the Church Fathers to the baptized, and at a later time borne by several societies. It was given to a mystical sect that appeared in Spain in 1524 under the name of Alumbrados or Alombrados (q.v.). This society was abolished by the Inquisition, but reappeared in 1623 in France under the name of Guerinets, to perish there in 1635. A similar sect, originating about 1722 in southern France, existed until the Revolution, (1794). In more recent times the name "Illuminati" refers principally to the members of a secret society founded on May 1, 1776, by Adam Weishaupt (b. at Ingolstadt Feb. 6, 1748; d. at Goths Nov. 18, 1830), professor of canon law at Ingolstadt, and patterned after the model of the Jesuit order. Aside from gratifying his ambition, Weishaupt's object was to combat religion and further rationalism. From Ingolstadt he spread his propaganda to Eichstadt, Freising, Munich, and other places. Every candidate had to give a written promise to tell nobody of this society. He learned nothing of his superiors and of the origin of the society, but was confirmed in the belief that the order could be traced back to antiquity, and that its members included even popes and cardinals. The candidate was bound by an oath to seize every opportunity to serve humanity and to better knowledge; he further vowed eternal silence and strict obedience. Every month he had to send a report to his superior, whom he did not know. Each member received a name usually borrowed from classical literature, such as Socrates, Alcibiades, Cato, Marius; Weishaupt called himself Spartacus. Weishaupt had at heart the collection of a large library, for the purpose of establishing an academy of scholars. In order to obtain books, his associates were not to shrink from the theft of manuscripts; for Weishaupt taught them " sin is only that which is hurtful, and if the profit is greater than the damage, it bees a virtue." The fantastic work of Weishaupt would have fallen to pieces if Baron von Zwaek (Cato) had not secured for the society a firmer hold by connecting it with freemasonry. Lodges already in existence were quietly brought under the rule of the Illuminati, and new lodges were established in which the degrees of the Illuminati were treated as higher grades of masonry. By identifying itself with freemasonry, the order was largely increased, freed from financial difficulties, and protected from persecution. In 1780 the Marquis Von Conetanzo (Diomedes) succeeded in winning at Frankfurt Baron Adolf von Knigge, to whom the Illuminati owed the complete structure of their system as well as the larger part of their adherents in Middle and North Germany. Three classes of Illuminati were now formed, one of novices and " minervals," one of freemasons, and one of the students of the mysteries. The most successful apostle of the order besides Knigge was Bode, a councilor of Duke Ernst of Gotha, who, in Thuringia and Saxony, as well as on the Rhine, secured numerous men of high rank--scholars, poets, and even princes. The movement soon extended from Italy to Denmark, from Warsaw to Paris; the number of members is estimated at 2,000. Goethe, Herder, Ernst II, of Gotha, Karl August of Weimar, Ferdinand of Brunswick, the Prince of Wied,

and other secular and spiritual lords were at some time either actual members of the order or counted on its list. But it was inevitable that the morally offensive character of the order and its danger to the state should be detected. In Aug., 1784, a decree was issued in Bavaria prohibiting all secret societies. Embittered by the ungratefulness and arrogance of Weishaupt, Knigge had retired from the order in 1784. Weishaupt now lost his position at the university and went to Regensburg, then to Gotha, where Duke Ernst granted him the salary of a privy councilor. In 1785, after the discovery of the moral baseness of the order from secret correspondence of Weishaupt, a sharp persecution began which soon brought the whole institution to collapse. "

However, the idea is propounded by many that this Order did not collapse but that it was merely driven further underground. See Kris Millegan's article at http://www.ctrl.org/essay1/index.html Many of the American scholars (like Daniel Coit Gilman) who created higher education in the U.S. were trained in Germany and are said to have been members of the Bavarian order, a branch of which was established in the U.S. by Alphonso Taft and William Huntington Russell--to become Skull and Bones at Yale. The Regensburg area where Adam Weishaupt stayed for a time was the domain of the Fuggers, as was Tirol--birthplace of Francis Martin Drexel--the Philadelphia banker.
http://65.1911encyclopedia.org/F/FU/FUGGER.htm Under the lead of Jakob Fugger, who had been trained for business in Venice, the Fuggers were interested in silver mines in Tirol and copper mines in Hungary, while their trade in spices, wool and silk extended to almost all parts of Europe. Their wealth enabled them to make large loans to the German Habsburg king, Maximilian I, who pledged to them the county of Kirchberg, the lordship of Weissenhorn and other lands, and bestowed various privileges upon them. Jakob built the castle of Fuggerau in Tirol, and erected the Fuggerei at Augsburg, a collection of 106 dwellings, which were let at low rents to poor people and which still exist. The Fuggers were devotedly attached to the Roman Catholic Church, which benefited from their liberality. Jakob had been made a count palatine (Pfalzgraf) and had received other marks of favor from Pope Leo X., and several members of the family had entered the church; one, Raimund’s son, Sigmund becoming bishop of Regensburg. Johann Jakob (1516—1575) was also a patron of art, and a distinguished counselor of Duke Albert IV of Bavaria. http://www.humanitas-international.org/showcase/chronography/timebase/timeline.htm 1547-- Anton Fugger gives up Neusohl altogether after production at their formerly rich Tirolean and Hungarian mines dries up. With dogged resolution but little success, he tried to make up for these losses by establishing new trade ties with Peru and Chile and by engaging in mining ventures in Sweden and Norway, as well as in the slave trade from Africa to America. (Britannica). 1649-- The Fugger Company is completely dissolved soon after the Thirty Years' War. The Fugger family is considered a prototype of the trading company of the early capitalistic era. Note: In overcoming the economic concepts of the Middle Ages, they used methods that have evoked, both in their time and in the present, admiration as well as violent criticism. (Britannica)

27 In Loftus' and Aarons' book--The Secret War Against the Jews-- they state that Saudi Arabia's King Ibn Saud was a protégé of pro-Nazi Harry St. John "Jack" Bridger Philby (father of infamous Soviet double-agent Kim Philby), and theorize that, together with Allen Dulles, the men "betrayed the British Empire and made the American oil companies economic masters of the region....More important, Philby's and Ibn Saud's political and philosophical allegiance was to Nazi Germany, while much of Dulles's profits came from the same source." (p. 21). It is the theory of Aaron and Loftus that Jack Philby had become disenchanted with Great Britain because of its determination to give the Jews a homeland in Palestine, which was at the time controlled by several sheiks in the Middle East, because Philby hated Jews. Apparently, according to them, he became a free agent with no loyalty to anyone other than himself. This I find difficult to believe. Philby was central to the negotiations to establish the Zionist state, which Britain insisted upon because of its need to have some control over the oil interests in the area as well as the Suez Canal in which there was a large investment. In 1874, Prime Minister Benjamin Disraeli had secured shares in the Suez Canal Company for the British government. In 1956 the British government and a number of French businessmen owned the majority of the shares in the company and did not welcome Nasser's action to nationalize their asset. Any time that the canal was blocked, oil tankers would have to bring cargoes round the Cape of Good Hope, lengthening the time of the journey by several weeks, and increasing the price of oil delivered to Europe.
http://www.electricity.gg/ourfirst100years/chapter10.htm The modern canal was planned by the French

engineer Ferdinand de Lesseps, who also supervised construction (1859–69). Great Britain, which had opposed the construction of the canal, became the largest shareholder in 1875 by purchasing the interest of the Egyptian khedive. The Convention of Constantinople signed in 1888 by all major European powers of the time declared the canal neutral and guaranteed free passage to all in time of peace and war. Great Britain was the guarantor of the neutrality of the canal; management was placed in the hands of the Suez Canal Company. Under the Anglo-Egyptian treaty of 1936, which made Egypt virtually independent, Britain reserved rights for the protection of the canal, but after World War II, Egypt pressed for evacuation of British troops from the area.
http://www.bartleby.com/65/su/SuezCana.html

In "One view of the Rothschild's involvement in World War II and the founding of Israel," by Clifford Shack at http://mysite.users2.50megs.com/history/hitlerchurchhill.html the author states his opinion of the importance of the Arabian oil, and the necessity of protecting the transportation route thereof through the Suez Canal, to the creation of the Zionist state, which occurred in the aftermath of World War I, which was also part of the same plan. "To meet the necessity of securing foreign sources of oil, puppet regimes would be established in countries like Persia, later to be named Iran. To meet Churchill's call for variety, the oil of Mesopotamia would be secured as well, although not as easily as Persia. To achieve this aim, the Ottoman Empire would first have to be dismantled. Before that could happen it would have to be conquered. This task would be accomplished by the keepers of the Concert of Europe-the House of Rothschild. The global elitist device that achieved this objective was World War I. During World War I, Churchill was in charge of the Dardanelle campaign aimed at taking Constantinople, the capital of the Ottoman Empire. For a variety of reasons, history views his campaign as a failure. In reality, however it was a crowning success for the war planners. For not only did the Dardanelle campaign spell the beginning for the end of the Ottoman empire, but the feigned bungling of the operation set in motion a series of orchestrated events that would empower the Turks to execute the Armenian genocide. Eliminating the Armenian presence in the Baku oil region eliminated the ethnic conflict between the region's Moslem majority which actually interrupted the oil production in 1905, when the oil fields were set ablaze. With the collapse of the Ottoman Empire, the huge oil fields of Mesopotamia came under British control. To the victor belong the spoils. Mesopotamia would be divided into a newly designed integrated region whose chief function would be a safe and secure energy supply system. This system would be comprised of new states, carefully designed in a balance of power fashion to insure steady flow of the precious oil beneath the ground. Designed by the global elite, these new states were named Saudi Arabia, Iraq, and Kuwait. Puppet-kings would be installed, and they would be manipulated by British agents such as T.E. Lawrence (Lawrence of Arabia), and St. John Philby....A quiet yet urgent concern with the Suez Canal region was the fact that the Suez Canal company was granted a concession scheduled to run out in 1968, at which time the 100 year-old lease would run out and the Canal 's ownership would revert back into Egyptian control. Egypt would have the power of life and death over Britain and the rest of Europe should that occur without security measures put into place to prevent that catastrophe. The Rothschilds had been quietly working on this particular dilemma since the canal was acquired by Britain (with their money)." The truth is that, as has been emphasized over and again in this series, the money that investment bankers play with is not their own. The funds have been entrusted to them secretly to be invested in high-profit enterprise. The bankers' continued existence and reputation is dependent upon their success in providing a high yield on the investment. These powerful figures would not have allowed Philby to have operated own his own for decades against their own interests. His role would rather have been to disguise the true plan and create a scapegoat who could be blamed in the event the plan backfired. That scapegoat in this case would have been the "American" oil company known as Socal--Standard Oil of California--which was one of the original Standard companies broken up in 1911, and whose stock reverted to the syndicate which financed Rockefeller's initial oil explorations. Rockefeller's primary financing, according to Eustace Mullins, had come from the Rothschild bank in Cleveland, Ohio. "...from the day the Rothschilds began to finance his march towards a total oil monopoly in the United States from their coffers at the National City Bank of Cleveland, Rockefeller was never an independent power, nor does any department of the Rockefeller Syndicate operate as an independent power....The Rockefeller Syndicate operates under the control of the world financial structure, which means that on any given day, all of its assets could be rendered close to worthless by adroit financial manipulation. ...The world financial structure, far from being an unknown or hidden organization, is actually well known and well defined. It consists of the major Swiss Banks; the survivors of the old Venetian-Genoese banking axis; the Big Five of the world grain trade; the British

combine, centered in the Bank of England and its chartered merchant banks, functioning trough the Rothschilds and the Oppenheimers and having absolute control over their Canadian colony through the Royal Bank of Canada and the Bank of Montreal, their Canadian lieutenants being the Bronfmans, Belzbergs, and other financial operators; and the colonial banking structure in the United States, controlled by the Bank of England through the Federal Reserve System; the Boston Brahmin families who made their fortunes in the opium trade, including the Delanos and others and the Rockefeller Syndicate, consisting of the Kissinger network headquartered in the Rockefeller Bank, Chase Manhattan Bank, American Express, the present form of the old Rothschild representatives in the United States, which includes Kuhn, Loeb Company and Lehman Brothers." http://www.mega.nu:8080/ampp/rockroth.html. See also http://www.geocities.com/CapitolHill/Senate/7854/transf33.html and http://www.geocities.com/CapitolHill/Senate/7854/transf34.html .

28 ("Flynn told Smith that he believed Roosevelt could be induced to accept [the Democratic nomination], that his health treatments were not the real reason for his refusal, that the real reason was the financial obligations he had outstanding at Warm Springs, that he was facing a heavy personal loss but that if this could be gotten out of the way he might yield. Smith told Flynn to tell Roosevelt they would take care of his financial problem. "I don't know how the hell we can do it, but we'll do it some way," he said. Flynn suggested that the problem be put up to Raskob. This was done. Smith asked Raskob to telephone Roosevelt. Raskob thought it over but decided to talk to Mrs. Roosevelt about it." http://cypherpunks.venona.com/date/1998/07/msg00428.html FDR was elected in November 1932, and in March of 1933, before he was inaugurated, an assassination attempt was made in Miami in which Chicago Mayor Anton Cermak was killed. Guiseppe Zangara was executed in the electric chair on March 21, 1933. That was only 13 days after Mayor Cermak died. FDR's vice president elect was John Nance Garner from Texas, who would have assumed the presidency in Roosevelt's stead had the assassination been successful. Garner had also run for president in 1932 with financial backing from William Randolph Hearst. Flynn's name appears in Charles Higham's book about the Duchess of Windsor in the following context: "Axel Wenner-Gren had joined, along with Sir Harry Oakes, Harold Christie, former Senator John D. Hastings, Wall Street plunger Ben Smith, and Ed Flynn, Democratic boss of the Bronx, the Banco Continental in Mexico City. According to U.S. Treasury reports, [Mexican President] Camacho yet again met the duke and duchess in the spring of 1941 to discuss ways and means of evading British currency regulations at a time when diplomatic and political relations between Great Britain and Mexico had been discontinued following a dispute over oil concessions in 1938. It was widely believed that the Windsors had succeeded in siphoning over a million pounds of illegal currency to the Banco Continental through the medium of its various shareholders." (p. 343)
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1/12/1971
By PHILIP GREER Winnipeg Free Press
NEW YORK (Special-TPNS) — Bernard Cornfeld says he will try to regain control of Investors Overseas Services at a special shareholders' meeting that he expects will be held in mid-February.
Mr. Cornfeld said he asked IOS president Robert Slater to convene the session after a board of directors meeting at which a proposed takeover of Gramco International and U.S. Investment Fund-Real Estate was voted down. Robert L. Vesco, chairman of International Controls Corp., which loaned IOS $5 million during its financial crisis last summer, had been working on the takeover of **Gramco, which controls more than $800 million in U.S. real estate**. USIF, which was hit with waves of redemptions in September and October, has not sold new shares or redeemed old ones since Oct. 7.
Mr. Cornfeld said he did not make a formal request for the meeting. Canadian law, under which IOS is incorporated, would require that the meeting be convened if formally requested by a holder of more than 5 per cent of the company's shares. Mr. Cornfeld, who has sold some of his stock recently, still owns about 6.6 million of IDS' 40 million shares.
"I was at the board Hireling, when they voted down the Gramco deal," Mr. Cornfeld said. "Vesco told the board that, if it didn't go along with the deal, we considered the loan agreement in default.
One of the directors said we ought to have a meeting and find out just who is running the company and I talked to Slater about it later."

Mr. Cornfeld said Mr. Slater agreed to convene the session, but that he would wait until after the holidays. Under Canadian law, the meeting must be held within 45 days after it is called. Although special meetings need not be held in Canada, this one is expected to be in Toronto, the scene of the regular shareholders' session last June at which Mr. Cornfeld was dropped from the IOS board. The former chairman denied that he had discussed selling his shares to Vesco. ICC has issued a statement denying any interest in buying the stock, but said that talks had been held with Mr. Cornfeld about selling the shares to a third party. The ICC statement also claimed that the loan to IOS was in default but added that talks are being conducted "which might lead to a waiver."

Mr. Slater, who is in New York, was not available for comment. Sources close to IOS said, Mr. Slater was trying to help King Resources Co. raise money for the interest payment on $15 million in bonds issued by King Resources International. The payment was due on Dec. 1, but the company had a 30-day grace period. Mr. King has announced that $431,250 had been deposited with the trust agent for the interest payment. A company official would not confirm or deny that IOS had helped raise the money, but he said the money all came from sources within King Resources."

Mr. Slater's interest in helping King stems from the fact that IOS's global resources fund owns Arctic properties in conjunction with KRC and has made payments of about $40 million for development costs on the land. If KRC is forced into bankruptcy, IOS would stand to lose all or part of that money.

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Pasadena 5/28/1971

SAN FRANCISCO (AP)-John M. King, Denver financier, asked $1.14 billion in damages Thursday from International Controls Corp., I.O.S. Ltd., and Robert L. Vesco, board chairman of both corporations. King's action was filed in U.S. District Court by attorney Melvin Belli. International Controls, a diversified electronics manufacturer, has acquired substantial stock holdings In I.O.S. since its founder and chief executive officer, Bernard Cornfeld, was ousted last summer. King claimed his losses amounted to $382.7 million.

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PARAPOLITICS/USA #2 Arlen Realty/Gramco

A stockholder in Arlen Realty, Bodkin Satloff & Co., a NY limited partnership specializing in takeover stock speculations, wants Arlen to hire an outside consultant to determine whether the company should be liquidated; evidence suggests that its liabilities may exceed its assets. (WSJ 4-16-81)The financially troubled Arlen is successor the scandal-plagued US Investment Fund, managed by Gramco Management. Gramco was an IOS competitor that made its first big sales push in Latin America and then shifted its emphasis to Germany, where it incurred the wrath of the German government. It was pushed by Pierre Salinger, who became deputy chairman of a British subsidiary of Gramco. Like IOS, Gramco specialized in tapping "hot" money overseas. Its chairman was Rafael Garcia Navarro, co-founder of Gramco with Keith Barish of Miami. Navarro was Cuban, a supporter of Batista and former UN diplomat, who purchased Panamanian citizenship after Castro came to power. He married the daughter of a minister under Batista. The head of Gramco International SA was Ricardo Nunez, a veteran of the CIA's Operation 40, whose father also represented Batista in the UN. Vice president of Gramco sales was Cesar Machado, grandson of the early 1930s dictator (who ended up becoming involved in greyhound racing in New Jersey!). Gramco's subsidiaries were littered with Kennedy men to give it prestige. Its primary sources of capital, however, were the Batista and Bacardi (rum) fortunes. Gramco charged fees for managing the property empire assembled under USIF; these excessive fees ran USIF into a cash flow crisis in October 1970 from which it didn't recover. Instead, Arlen Realty (headed by the wheeler-dealer **Arthur G. Cohen**) took over the management for several million dollars, and Gramco was liquidated amidst a host of suits. Gramco was rumored to have various intelligence and mob connections, although these were never proved. It was embroiled in scandal when it employed private detectives to bug a Gramco salesman in Geneva who was thought to be a mole of the IOS forces (there was talk at one time of a Gramco-IOS merger).One of the main IOS-Gramco links was Rafael Diaz-Balart (a Cuban) who managed the Batista fortune in Spain while doubling as Vesco's chief agent there. Diaz-Balart and Vesco were behind a plot to transfer control of IOS to a Spanish front group, headed by Prince Gonzalo de Bourbon y Dampierre, whose brother had married Franco's granddaughter. Diaz-Balartran the Ultramar Banking Agency in Madrid which provided investment advice for Latin Americans and, presumably, a hayen for Batista money. His executive president was Alberto Alvarea

Alvares, a director of Costa Rica's national airlines. Now ca. 1970 Navarro purchased the newsweekly of Latin American affairs Vision (formerly in the hands, it has always been rumored, of the CIA)and moved it to London, where he brought Robert Moss on as editor. After Navarro died under mysterious circumstances in July 1976, control passed to Ultramar, a shipping business owned by Somoza, run by Rodriguez Felice, an anti-Castro Cuban. Ultramar had large holdings in Costa Rica, and appears to be linked to the Ultramar agency of Diaz-Balart. (Somoza was said to have joint ventures with Vesco in Costa Rica). The Vision sale was allegedly arranged by then US ambassador to Nicaragua James Theberge. An interesting tidbit: In 1973 Bahamian prime minister Lyndon Pindling purchased Navarro's old mansion in the Bahamas for $475,000. Reportedly the money came from Vesco and the Castle Bank (on someone's behalf).

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Van Nuys (Calif.) NEWS Tuesday, Jan. 19, 1960

Staats Firm Plays Major Role in State

William R. Staats and Co. a direct descendant of the first investment firm chartered in the state of California--the Pasadena office opened by William R. Staats in 1887.

The early history of the firm includes the underwriting of the first city of Pasadena bond issue and a major part in the development and organization of many enterprises, including:

- California Institute of Technology;
- the Huntington Hole; and
- Huntington Library,
- the Mt. Wilson Hotel,
- toll road and observatory.

List Other Projects

Such utilities as the Southern California Edison Co. and in such industries as Union Oil and Consolidated Steel. Municipal projects such as the Los Angeles-Owens River aqueduct, **San Francisco's Hetch Hetchy Project**, and the Los Angeles Bureau of Power and Light Hoover Dam transmission line.

In 1805, the William R. Staats and Co. Los Angeles office opened, headed by **John Earle Jardine Sr**., who like Staats was another major factor in the rise of California. Jardine, whose son is a partner in the firm today, was particularly influential in the development of the citrus industry.

Members of Exchanges

In 1911 the Staats' northern headquarters were established in San Francisco — followed through the years by offices in Beverly Hills, San Jose, Santa Ana, Glendale, Van Nuys, San Diego, Palo Alto. Phoenix and Yuma.

William R. Staats and Co are members of the New York, American and Pacific Coast Stock Exchanges and maintain large brokerage departments of listed and over-the-counter securities, municipal bonds, corporated bond and mutual funds.

Distribute Equities

The underwriting and distribution of equities of representative American corporations also is an important phase of the firm's activities. The more recent offerings include financing for Northrop Corp., California Financial Corp., California" Interstate Telephone Co., Permanent Filter Corp., Pauley Petroleum Inc., Pacific Automation Products Inc., the Valley National B a n k-Phoenix, H. C. Smith Oil Tool Co.. and Lytton [sic] Financial Corp.

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JOHN EARLE JARDINE. On the of history the Jardine family appears as having gone from Normandy to England and in the latter country the name is first found in the roll of Battle' Abbey. They were later granted land in Scotland. Archibild Jardine, who was a native of Wigtonshire, Scotland, and an agriculturist by occupation, established the family in the United States, settling in New York City.

His son, John, who was also a native of Wigtonshire, was twenty years of age when he crossed the ocean to New York, and there he has since resided, having made architecture his life work. In the prosecution of this calling he has gained a local reputation for skill and artistic ideas, and is now one of the city's most prominent architects. Like his ancestors, he adheres to the Presbyterian faith. At this writing he is vice-president of St. Andrew's Society of New York City.

The first marriage of John Jardine united him with Miss Mary E. Earle, a daughter of Morris and Mary (Dodd) Earle, natives respectively of New York City and Hartford, Conn. Both these families were among the colonial settlers of Connecticut, and were of English and Puritan stock. For one hundred and fifty years the old Dodd residence has stood in Hartford, an historic landmark, and it has been continuously occupied by members of the family. Mrs. Jardine was born in New York City, where her father was a successful merchant. The schools of that city afforded her excellent educational advantages, while her religious instruction was received in the Episcopal Church. She died when her only child, **John Earle Jardine**, was a child. He was born in New York City December 7, 1871, and at ten years of age removed with the family to the suburb of Yonkers, where he attended a private school and academy. After
completing his studies he entered upon a position with a wholesale and importing chemical house.
Mr. Jardine came to California in 1892 on a tour of inspection, and was so pleased with the country that he decided to make it his home. Settling in Pasadena in January, 1894, he began the improvement of a tract of thirteen and three-fourths acres on South Marengo avenue. This land was in the rough, and required constant supervision for several years to be put in a condition where it would respond to cultivation. A large number of orange and lemon trees, also grape fruit, may be now seen on the property, and in citrus culture the owner has proved himself an adept, carrying on all of his work scientifically and with due regard to conditions of soil and climate.
Los Robes Park (such is the name of the estate) is one of the most attractive homesteads in the vicinity of Pasadena, and its two residences are fitted up with modern appliances and improvements. In the thrifty appearance of its orchard, in the substantial buildings and in the air of comfort and prosperity overhanging all, the property stands as a monument to the wise judgment and executive ability of the owner.
Various enterprises, in addition to the supervision of his homestead, receive attention from Mr. Jardine and, when their value is proved, his co-operation is always to be relied upon. He is a director both in the Orange and the Lemon Growers' Associations of Pasadena, and a director of the San Gabriel Valley Bank. On the organization of the Euclid Avenue Water Company he was chosen its president and still fills the position, having meantime developed water for the various properties reached by the company. When the Pasadena Country Club was organized he became one of its charter members, and is now its secretary and treasurer. In political views he is a pronounced Republican. Some years before coming to California he
made a tour of Great Britain and the continent, finding one of his chief pleasures in visiting the scenes familiar to his father in boyhood and youth, and dear to the family through the long association of previous generations with the locality. He is a vestryman in the Church of Our Savior (Episcopal) at San Gabriel, and in it was solemnized, in 1893 his marriage to Miss Mary C. Peck, daughter of George H. Peck, Sr. They have an only son, John Earle, Jr.
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By C. Fred Shoop Independent Star-News – 2/21/1960
RECENT retirement of John S. Staats from the William R. Staats Co. of which he has been an executive for many years, brings up a flood of memories….
JOHN is a brother of the late William R. Staats, founder of the company which still bears his name, and with which John was associated for 50 years. William R., one of Pasadena's greatest benefactors, is immortalized in the book "California Yankee" by Carol Green Wilson of San Francisco, a book which is
'must' reading for anyone who wants to know the background of this city. More about William R. later, but now, back to **John Stearns Staats**. John S. Staats is the only one of the Staats family to have been a native Pasadenan. He was bom at 425 N. Raymond Ave., home of the Henry T. Staats family for many
years. He attended Lincoln grammar school and in 19:10 graduated from Pasadena High School, then in lhc Franklin building on Walnut street SHORTLY after graduation from high school, John entered the office of his brother, which at the time handled both real estate and investments. About 1915 or 16, it was thought best to separate the two branches of the business so the Staats-Macy Company was formed and continued under the direction of the late Lloyd R. Macy until Macy's untimely passing. After that, in the early 20's, the real estate and insurance business became the William Wilson Co. and William R. Staats and associates operated the investment end, mainly stocks and bonds. John has been in the investment end of the business ever since, either here or Los Angeles entirely, except for about 10 years when lie was in the film's San Francisco office. He was

one of the firm's 'partners' and held offices of trust and responsibility while giving freely of his time to military and civic affairs, as well.
Indicating .the high esteem in which John is held, he was signally honored shortly before his retirement. At a meeting of all the partners of the business, held at the California Club, Los Angeles, he was presented with an expensive Chelsea twin set of clock and chronometer, with slrip's bells sounding the time on the hour and half hour. Clock and chronometer both are fashioned like guiding wheels of a sailing craft because of John's long interest in seamanship.
NOT TO be outdone, the entire staff of the local Staats office held a noon-day party for John and presented him with a beautiful leather 'two suiter' traveling case. There 'was much speech-making and lots of advice as to what to do in retirement and John rose to the occasion with an appreciative 'thank you' speech.
John moved last year from the Orlando Road home in which he lived for many years and with his wife, formerly Caimen Sage whom he married here in 1934, resides at the corner of Old Mill Rd. and Monterey Rd., San Marino. They spend much of their time at their beach home at Newport. They have their own open sail boat which they love to sail and they are contemplating some more or less extensive travels before too long.

NOW A WORD about John's military record. By 1916, World War I was on and it was almost certain that the United States would be drawn into it. John was one of a group of Pasadena youths selected to attend the Monterey Training Camp, similar to one at Plattsburg, N.Y. Graduates received certificates of completion and prepared themselves to serve their country in any way that might develop. In the spring of 1917, John helped recruit a battery of field artillery which was mustered into the service as Battery D, 144th Field Artillery. They had training as cavalrymen at San Francisco, then at Camp Kearney, San Diego. Receiving a commission as a second lieutenant he had further training in North Carolina camps and went overseas as an officer in another field artillery unit which .was' attached To the First Army Corps which engaged in the second phase of the Argonne Drive, shortly before the Armistice was signed in November, 1918. He was mustered out at San Francisco in June, 1919. Returning from service with the **William R. Staats Co**. in San Francisco in 1931, he was drafted as chairman of the Military Affairs Committee of the Pasadena Chamber of Commerce, serving about seven years. In that capacity his committee served In liaison capacity with the National Guard and ROTC of local schools.
With his experience, John Staats seemed the logical choice to head the local branch of the Stale Guard when that was organized in 1911 to protect homes and local properly when National Guard units went overseas. He was one of the original organizers here and soon was made commander of the Southern California Area Reinforcing Unit of the State Guard. At first he held the commission of Major, then was promoted to Lieutenant Colonel. Top strenglh of the San Gabriel units was 500 men at their peak, many men getting training locally which fitted them for service overseas when they enlisted or Were drafted.
The men served without pay and at first purchased their own uniforms, but later the state provided uniforms. Local units were officially mustered out at the Pasadena Armory Nov. 2G, 1910, having served 68 months. Col. Staats was active all this time, as were many other Pasadenans, eager to do their bits.
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Redlands Daily Facts - Wed., Dec. 16, 1964
Staats company to merge with Glore, Forgan
William R. Staats and Co., Incorporated and Glore, Forgan and Co. announced today an agreement of merger between these two well known investment banking firms. The name of the merged firm will be Glore, Fagan, Wm. R. Staats and Co., Inc. Staats Redlands office is at 125 Orange street. David Murphy is manager.
No definite date has been established for the consummation of the merger, but it is expected to be completed early in 1965. The combined firm will operate under a corporate structure. J. Russell Forgan, of Glore, Forgan, will be chairman and chief executive officer; Donald Royce of Staats will be vice chairman; John F. Fennelly of Glore, Forgan will be chairman of the Policy Committee; Richard W. Millar of Staats will be chairman of the Finance Committee; Charles J. Hodge of Glore, Forgan will be chairman of the Executive Committee, and Maurice H. Stans of Staats will be president of the merged firm and will move from Los Angeles to New York. The six individuals will constitute the merged firm's Executive Committee.

Both firms have been leading investment bankers and members of principal stock exchanges. Glore, Forgan and Co., with head offices in Chicago and New York, now has branch offices m Boston, San Francisco, and Los Angeles. Staats, which makes its headquarters in Los Angeles, operates 19 offices throughout California and Arizona.

Staats firm changes name

A new major national investment banking and brokerage firm—with roots extending back 78 years in California—came into being today with 24 offices in operation from coast to coast.

In the development, the Redlands office of William R. Staats & Co. Inc. becomes the local office of the new firm to be known as Glore, Forgan, Wm. R. Staats Inc. The change results from the formal merger today of Glore, Forgan & Co. of Chicago and New York with Staats, according to David Murphy, vice president and resident manager of the Redlands office for Staats.

Redlands Daily Facts
6 — Mon., March 1, 1965

INDEPENDENT STAR-NEWS, SUNDAY, APRIL 30, 1961 1961

'Invest in America' Observance to Begin

The Invest in America Week observance, which originated in Los Angeles 11 years ago, will be launched today in more than 250 cities nationwide.

According to W. Herbert Allen, general chairman for the observance in Los Angeles, various organizations and industries in this area have planned programs of public interest stressing the Invest in America theme "Money at Work Means Men at Work."

Ray R. Eppert, National Invest in America chairman, will deliver the keynote address at tomorrow's Bond Club of Los Angeles luncheon meeting at the Biltmore Hotel. He will speak on the significance of investment in the American economy.

Eppert is president of the Burroughs Corporation, business machine manufacturer in Detroit, Mich.

Three award-winning journalism students from Los Angeles city high schools will be announced and feted by civic and Invest in America Committee officials Tuesday morning at Civic Center. They will be presented U.S. Savings Bonds for their school newspaper stories on the meaning of Invest in America.

Wednesday is Stock Exchange Day and the large membership of the Women's Division of the Los Angeles Chamber of Commerce will be hosted at a "Tea and Stocks" meeting on the trading floor of the Pacific Coast Stock Exchange, according to Mrs. Grace Stoermer, program chairman.

Feature speakers at the Women's Division program will be J. Earle Jardine Jr., Pasadena, partner of William R. Staats & Co., investment bankers; Kenneth Powell, trading floor specialist for Adams, Fastnow & Co.; and Joseph Cordova, program coordinator for Invest in America.

The annual Alexander Hamilton free enterprise public relations award recipient will be announced at the Thursday meeting of the Board of Directors of the Los Angeles Chamber of Commerce at the chamber building. Allen will present the award.

Maurice H. Stans, president of Western Bankcorporation and vice chairman of the Board of United California Bank, will be feature speaker at the Rotary Club of Los Angeles "Salute to Invest in America Week" luncheon Friday at the Statler Hotel.

Stans, who was director of the Bureau of the Budget under former President Eisenhower from 1958 to January, 1961, will speak on "The Responsibilities of Citizenship."

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Salt Lake Tribune – 1/5/1961

Ike's Budget Chief to Head Firstamerica Bank Firm

By Associated Press

WASHINGTON, Jan. 4 —Maurice H. Stans, President Dwight D. Eisenhower's budget director, will become president of **Firstamerica Corp., Los Angeles**, described as the biggest bank holding company in the nation.

THE BUDGET Bureau issued Wednesday a statement by Stans disclosing his acceptance of the post, together with a copy of an announcement by **Frank L. King, board chairman of Firstamerica**. King said Stans will take office March 30 at the corporation's annual stockholders meeting, succeeding Oscar H. Keller, who will serve as vice chairman until his retirement later this year.

STANS ALSO will be proposed for election as a director of Firstamerica, King said, and will become vice chairman and a director of the California Bank, Firstamerica's largest subsidiary. President Eisenhower designated Stans head of the Budget Bureau on March 18, 1958, after Stans had been director for six months.

HE WAS DEPUTY postmaster general from 1955 to 1957. Before entering the government he was executive partner in the national accounting firm of **Alexander Grant & Company**. Stans is a certified public accountant and past president of the American Institute of Public Accountants. He received his college training at Northwestern arid Columbia Universities.

FIRTAMERICA commenced business in mid-1958, as a result of the **breakup of the Trans America Corp**. under the Bank Holding Company Act of 1956. It owns a majority interest in 24 banks in 11 western states, including Walker Bank & Trust Cp. in Utah and Bank of Idaho. The total resources of the affiliated banks were reported recently as about five billion dollars. Firstamerica recently disclosed plans to change its corporate name to Western Bancorporation at the stockholders' meeting at which Stans will assume the presidency.

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http://www.leagle.com/xmlResult.aspx?xmldoc=1966758254FSupp504_1653.xml&docbase=CSLWAR1-1950-1985

The Stipulation of Facts shows that on June 6, 1963, Transamerica filed a claim for refund of income taxes paid for the year 1958 in the amount of "$107,093.55 or such other or greater amount as may be legally refundable" alleging two separate grounds for said refund (Stipulation of Facts Ex. B):

(1) That Transamerica had incurred certain business expense in connection with its decision to divest itself of its bank stocks; that as permitted by the Bank Holding Company Act of 1956, 70 Stat. 130, 12 U.S.C. Secs. 1841-1848 (1964) it organized a new corporation, Firstamerica Corporation, to which it transferred its bank stocks in exchange for all of the capital stock of Firstamerica Corporation; that Transamerica

[254 F.Supp. 506]

then spun off its Firstamerica Corporation stock by distributing the same to its stockholders as a dividend in kind in the year 1958; that in connection with the spin-off, Transamerica incurred expenses consisting of legal fees, transfer agent fees, printing costs, insurance on Firstamerica shares distributed and other expenses, all relating to the distribution of the Firstamerica Corporation stock, which expenses amounted to $161,642.45; that Transamerica claimed a deduction for said expenses in its federal income tax return for the calendar year 1958; that said deduction was disallowed by the Commissioner and a deficiency made against Transamerica for the tax due as a result of the disallowance; and after this deficiency was paid, Transamerica claimed a refund for the tax assessed by reason of the disallowance of this deduction.

(2) That in 1958 General Metals Corporation (an affiliate of Transamerica and included in Transamerica's 1958 consolidated tax return) donated to the City of Oakland certain land having a cost basis to that company of $5560.00 and a fair market value in excess thereof, to be used as a street and also $31,118.93 in cash to partly pay the cost of paving the street; that Transamerica claimed this as a contributions deduction but, the Commissioner disallowed the deduction on the ground that the contribution was a capital expenditure since the taxpayer owned land on both sides of the street.

The complaint herein prays for recovery of the sum of "$107,093.55, or such other amount as is found to be legally refundable," as income taxes erroneously and illegally collected from plaintiff for the year 1958.

THE DIVESTITURE ISSUE

The Bank Holding Company Act of 1956, which became law on May 9, 1956, contained a broad prohibition against the continued ownership and control by a bank holding company of both banking and non-banking businesses.

Transamerica concluded that its best interests would be met by a reorganization plan under which it would cease to be a bank holding company while continuing to hold its non-banking interests. This was accomplished by divesting itself of its banking stocks.

In carrying out its decision to divest itself of its bank stock, Transamerica developed a plan which it described as "a plan of reorganization," under which it caused Firstamerica Corporation to be organized, transferred to Firstamerica its bank stocks, together with 20 million in cash, in return for 11,372,022 shares of Firstamerica stock and immediately thereafter distributed all its shares of Firstamerica to Transamerica stockholders, over 100,000 of them, on the basis of one share of Firstamerica for each share of Transamerica.

No outstanding shares of Transamerica were redeemed or transferred and no additional shares of Transamerica were issued.

No change was made in the corporate charter or corporate capital stock structure of Transamerica, nor did it acquire any money or other tangible assets, or improve any such assets. The number of Transamerica shares outstanding, and the par value thereof remained the same.

Stocks of banking subsidiaries having a book value of 148 million plus 20 million in cash, were transferred to Firstamerica in exchange for Firstamerica stock which, when distributed to Transamerica stockholders, eliminated Transamerica's paid in surplus of 117 million and reduced its earned surplus from 100 million to 51 million and, further, affected the book value of Transamerica shares downward from $21.19 per share to $6.37 per share.

On the other hand, Firstamerica acquired a capital stock of 22 million, a paid in surplus of 94 million and an allocated earned surplus of 49 million and its stock in the hands of Transamerica shareholders showed a book value of $14.82 per share.

According to Transamerica's Proxy Statement (Stipulation of Facts, Ex. H), "Immediately after the distribution, the

stockholders of Transamerica will be the owners of two corporations which will own the same assets owned by Transamerica immediately prior to the distribution. The two corporations will be Transamerica Corporation and Firstamerica Corporation, which has been organized to receive the property proposed to be transferred under the plan."

Under this plan it was also provided that no director of Transamerica or any of its subsidiaries would be a director or officer of Firstamerica Corporation or any of its subsidiaries.

This plan of divestiture was patterned to meet the provisions of an act entitled "Distribution Pursuant to Bank Holding Company Act of 1956" 70 Stat. 139, 26 U.S.C. Secs. 1101-1103 (1964) enacted by the Congress to provide methods whereby distributions made pursuant to the Bank Holding Company Act could be made without involving tax consequences to the recipient for ordinary taxable income or for taxable capital gains which might prove to be virtually confiscatory.

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Ex-Pasadenan Firstamerica Official Choice

M. E. McMillen, veteran western banking executive and former Pasadena resident, will become a vice president and director of Firstamerica Corp., a new corporation that will succeed Transamerica Corp.'s direct ownership in all of its majority-owned banks if a reorganization plan is approved

M. E. McMILLEN
. . . Executive promoted

by stockholders next month according to F. N. Belgrano Jr., chairman of the board and president of Transamerica, San Francisco.

McMillen, widely-known Pasadena banker for 20 years, now is chairman of the board and chief executive officer of the First National Bank of Arizona, one of the country's fastest-growing banks with 50 offices in 39 Arizona communities. His headquarters are in the home office, Phoenix.

Belgrano advised the board of directors of the Federal Reserve System that McMillen's name will be among those designated as directors and officers of Firstamerica in the proposed plan of reorganization made necessary by provisions of the Bank Holding Company Act of 1956. Under the proposed plan, Oscar H. Keller, senior vice president of Transamerica, will be president and director of Firstamerica.

VOTE APRIL 24

Under the plan, Firstamerica will receive from Transamerica all of the stock that Transamerica now holds in each of it majority-owned banks. The

McMILLEN: Turn to Page B7

Frank N. Belgrano Jr., president of Transamerica Corp., … He told a press conference that the huge holding company, which has a stock majority in banks with 323 offices in 11 western states,' will set up Firstamerica Corp. at a stockholders meeting two weeks from today to take over all of Transamerica's banking interests.

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Frank N. Belgrano, Jr. (1895-1959)
By Richard Sanders, Editor, Press for Conversion!
Belgrano, as vice-president of United Bank & Trust Co. (UBT), was the first banker to serve as its president in 1934…. After WWI, Belgrano worked in his father's bank. When it merged with Amadeo Peter Giannini's Bank of America, Belgrano became its vice president, staying in that post until 1940. Belgrano worked so closely with Giannini that it is instructive to look at this Italian-American banking hero…. Giannini created New York City's East National Bank (1919) and a parent company, Transamerica Corp., for his Bank of America in New York (1928). Its CEO was Elisha Walker, a partner of the Kuhn, Loeb Co., whose top banker was Otto Kahn…. John Spivak [*New Masses*, Feb.5, 1935] says Belgrano had close ties with media tycoon, William R. Hearst. Belgrano later served as vice president of Occidental Life Insurance of California, and president of Pacific National Fire Insurance (1940-1943); Oakland's Central Bank (1943-1947); and First National Bank (1947).

Giannini died in 1953 and Belgrano took over TransAmerica. A year later, he took 22 banks from Giannini's empire and set up First Western Bank. A 1956 law forced him to create a new bank-holding company, Firstamerica Corp., while Transamerica focused on insurance and real estate interests.
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©Published on November 12, 1959
Frank Belgrano

Frank Belgrano,
Coast Banker, 64
Chairman and President of
Transamarica Is Dead ---
Ex-Giannini Associate

Frank N. Belgrano Jr., chairman and president of the Transamerica Corporation, died yesterday, apparently of a heart attack, in his suite at the Park Lane Hotel. His age was 64.

Mr. Belgrano, who lived in San Francisco, had been visiting here since Nov. 2. His wife was with him.

The Transamerica Corporation is a West Coast holding company with large insurance and real estate interests. It was founded by the late A. P. Giannini, the Italian immigrant peddler who also founded the Bank of America chain in California.

Mr. Belgrano was associated with Mr. Giannini for many years. In 1953, after the latter's death, Mr. Belgrano succeeded him as head of Transamerica. A year later, however, he broke with the Giannini interests.

In 1954 Mr. Belgrano refused to turn over to the Bank of America twenty-two California banks then owned by Transamerica and long considered potential links in the Bank of America chain. Instead he used them to set up a new First Western Bank chain as part of his Transamerica empire, which was then said to be the largest bank holding company in the United States.

Set up New Company

Mr. Belgrano was forced to divest the Transamerica Corporation of its banking interests by the Bank Holding Company Act of 1956. In effect this prohibited a bank holding company from owning non-bank interests.

Mr. Belgrano then set up a new bank holding company, called the Firstamerica Corporation, to which he transferred Transamerica's bank holdings. Transamerica stockholders received Firstamerica stock. Thereafter Transamerica concentrated on its non -bank holdings.

In 1934-35 Mr. Belgrano served as national commander of the American Legion. He took a strong position against communism and fascism and for preparedness. He served as financial adviser to the United States High Commission in the Philippines in 1945. In 1953 he returned to the Philippines as head of a survey mission of the Mutual Security Administration.

Mr. Belgrano was born in San Francisco on May 18, 1895, the son of a banker. He was educated in California schools including Oakland High School.

Worked in Father's Bank

After World War I Mr. Belgrano went to work for his father's bank, which was later merged with a Giannini bank. Mr. Belgrano served as a vice president of the merged bank, known as the United Bank and Trust Company, until 1940. He was president of the Pacific National Fire Insurance Company from 1940 to 1943 and president of the Central Bank of Oakland, Calif., from 1943 to 1947. During the latter period he was also vice president of the Occidental Life Insurance Company of California.

In 1947 Mr. Belgrano went to **Portland, Ore**., to become president of the First National Bank there. He returned to San Francisco in 1953 to head Transamerica.

Besides his widow, the former **Margaret Evelyn Biddle**, whom he married in 1922, Mr. Belgrano is survived by three sisters, Mrs. W. Albin Latos of Santa Ana, Calif.; Mrs. Richard De Mille of Los Angeles, daughter-in-law of the late Cecil B. De Mille, film producer-director; and Mrs. Aime Michaud of San Francisco.
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…With California conquered, Giannini turned to the national scene. He believed that a few large regional and national banks would come to dominate American banking by using branches, and he intended to blaze the trail. He already owned New York's Bowery and East River National Bank (as well as a chain of banks in Italy); next he established Bank of America branches in Washington, Oregon, Nevada, and Arizona, again before branch banking was explicitly permitted.

Federal regulators, objecting to Giannini's attempts to dictate the law, took exception to some of his practices. In response, Giannini created another holding company in **1928**, to supplant BancItaly. The new company was called **Transamerica**, to symbolize what Giannini hoped to accomplish in banking.

Giannini knew he needed a Wall Street insider to help him realize his dream of nationwide branch banking, and he thought Elisha Walker, the head of Blair and Company, and old-line Wall Street investment-banking firm, was just the man. So, in 1929, the year Bank of America passed the $1 billion mark in assets, Transamerica bought Blair.

A year later, Giannini consolidated his two banking systems into the Bank of America National Trust and Savings Association, under the control of Transamerica. Sixty years old and in poor health, he relinquished the presidency to Walker, retired for the second time, and went to Europe to recuperate. It was again a short retirement. His stay ended abruptly in **1931**, when he received news that Walker was trying to liquidate Transamerica.

Giannini headed straight for California, where three-quarters of the bank's stockholders remained. What followed was one of the most dramatic proxy fights in U.S. history. Giannini crisscrossed California, holding stockholder meetings in town halls, gymnasiums, courthouses, and other public spaces. A poor public speaker, he hired orators to drive home the message that Walker and eastern interests, the dreaded "big guys" Giannini had battled against for years, were trying to ruin the bank. The campaign succeeded and the stockholders returned control of the Bank of America to Giannini.

The bank had suffered, though. By the end of 1932, deposits had shrunk to $876 million, from a high of $1.16 billion in 1930. No dividend was paid that year, for the first time since 1905, and the battle had cost Giannini his New York banks. Depositor confidence had to be rebuilt.

Giannini's presence seemed to be just the right thing. By 1936 Bank of America was the fourth-largest banking institution in the United States (and the second-largest savings bank) and assets had grown to $2.1 billion. The bank continued to innovate, instituting a series of new loans called Timeplan installment loans. Timeplan included real estate loans, new and used car financing, personal credit loans from $50 to $1,000, home appliance financing, and home-improvement loans, all industry firsts.

As the Bank of America became more influential, Giannini took on bigger and bigger foes, among them the Federal Reserve, Wall Street, the Treasury Department, the Securities and Exchange Commission (SEC), Hans Morgenthau, and J.P. Morgan Jr. Eventually, the enmity Giannini aroused in his war against the Establishment cost the bank its chance for nationwide branch banking. The beginning of the end came in 1937, when the Federal Reserve made its first attempt to force Transamerica and Bank of America to separate.

World War II brought tremendous growth to the Bank of America. As people and businesses flocked to California during the war, the bank more than doubled in size: in 1945, with assets of $5 billion, it passed Chase Manhattan to become the world's largest bank.

As California began to rival New York as the most populous state, Bank of America continued to expand. Giannini continued to battle, and win, against the big interests, until his death in 1949. From radical outsider to the leader of what Business Week called the "new orthodoxy" of banking--the trend toward serving average consumers--Giannini's was one of the most innovative careers in 20th-century banking.

He was succeeded as president of Transamerica by his son, Lawrence Mario, long a top official at the bank. He continued in his father's tradition, but for only three years; he succumbed to lifelong health problems in **1952.**

Following the deaths of the Gianninis, Bank of America slowly made itself over. New chief **Clark Beise** moved to decentralize operations, encouraging branch managers to assume more responsibility for their branches. This approach paid off with tremendous growth; by 1960, assets totaled $11.9 billion. The bank continued to innovate. In **1959**, it was the first bank to fund a small-business investment company. It was also the first U.S. bank to adopt electronic and computerized recordkeeping; by 1961, operations were completely computerized. Other new programs included student loans, an employee loan-and-deposit plan that let workers transact bank business through their offices (a response to increased competition from credit unions), and the first successful credit card, BankAmericard, the predecessor of Visa.

In addition, Bank of America stepped up its international presence, becoming one of only four U.S. banks with significant impact on international lending. It also began to pursue wholesale accounts, to supplement its traditional retail base. Finally, in **1957**, the Federal Reserve forced Transamerica to separate from Bank of America, an event the two institutions had anticipated.

Bank of America's efforts to become a "department store of finance" in the late 1950s and early 1960s marked the last significant period of innovation in the bank's history until the 1980s. It was a time when the bank strove to sell the widest variety of banking services to the widest possible market. Beise felt there was more room for innovation, saying in 1959 "there are new frontiers to develop," but warning that "we are constantly fighting against the attitude of entrenched success." It was a battle that the Bank of America lost, as it eventually became a conservative, stodgy, and inflexible institution.

In 1968, BankAmerica Corporation was created as a holding company to hold the assets of Bank of America N.T. & S.A. and to help the bank expand and better challenge its archrival, Citibank. This came just before

banking deregulation, which affected Bank of America more adversely than was predicted. Bank of America's branch banking system was a major problem, since it gave the bank the highest overhead in the banking industry.

Through this period the retail division provided 50 percent of the bank's profits. It was not until interest rates exploded in the 1970s that the bank's bulk of low-interest-bearing mortgages became damaging, as it was for many savings and loans.

As the largest bank in the world, the Bank of America was a natural target for groups with statements to make during the 1960s. It became the first major employer in California to sign a statement of racial equality in hiring. At the time, the Bank of America had more than 3,500 minority employees--more than 10 percent of its workforce. The bank also responded to complaints from women's groups by creating a $3.8 million fund for training female employees in 1974, and set itself the goal of a 40 percent-female workforce.

By 1970, Bank of America had established a $100 million loan fund for housing in poverty-stricken areas, and purchased municipal bonds that other California banks wouldn't touch. This was in keeping with the tradition Giannini had established when he bought rural school bonds and bonds for the Golden Gate Bridge at a time when no other bank would buy such issues.

A.W. "Tom" Clausen succeeded Rudy Peterson as chief executive officer (CEO) in 1971. He presided over Bank of America's last tremendous growth spurt--jumped 50 percent (to $60 billion) just between 1973 and 1975. Bank of America was the only one of the 20 largest U.S. banks to average 15 percent growth between 1971 and 1978; its seemingly unstoppable growth earned its management great praise during the 1970s.
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Albuquerque, New Mexico, Thursday, April 10, 1958

TRANSAMERICA OFFICIALS conferred here today with top executives of the Bank of New Mexico. Frank N. Belgrano Jr. (right) is president, and Oscar Keller (left), senior vice president of Transamerica. Col. M. E. Zetterholm (second from left) is board chairman and Arthur A. Atherton (second from right), president of the Bank of New Mexico, in which Transamerica has a controlling interest. (Staff photo)

Belgrano Predicts Big Boom for West

By SAM JOHNSON

America will see a boom in five years greater than any it has experienced, Frank N. Belgrano Jr., president of Transamerica Corp., predicted here today.

Saying, "I hitch my kite to population trends," the head of the world's largest bank holding company, sees the snowballing population growth — with legions of new buyers — as the principal factor that will produce a great boom.

The surge of population westward will spell continued prosperity for the West, he said.

Won't Pick Date

At the same time, Mr. Belgrano, who will address the annual Chamber of Commerce banquet here tonight, declined to predict a date for the end of the current recession.

He issued a warning to Albuquerque and New Mexico, also, not to depend too greatly on government payrolls and spending for the long haul.

The San Franciscan spent some time, also, outlining the changes that will be made in a reorganization of Transamerica Corp. under a 1956 banking act.

He told a press conference that the huge holding company, which has a stock majority in banks with 323 offices in 11 western states, will set up Firstamerica Corp. at a stockholders meeting two weeks from today to take over all of Transamerica's banking interests.

"It's safe to say this is an accomplished fact," he said, stating he had been notified today that 53 per cent of Transamerica stockholders have already ratified the reorganization.

Transamerica, he said, will retain its non-banking interests: Insurance, manufacturing, land development and mortgage companies and other interests.

Large Assets

In the reorganization, he said Transamerica stockholders will get one share of Firstamerica for each share of Transamerica. The new corporation will take over banking assets with a book value of $148½ million, plus $20 million in cash from Transamerica.

As to the recession, Belgrano said, "You've hardly noticed it out here." In Detroit, he said, it's severe.

"I have refused to join the three-month or the six-month clubs," he said. "I think it is deceitful for persons in high positions to suggest that in the immediate future the sun will shine and all will be swell."

He added, "I think people are looking out for the rainy day and not buying (the way they were)." This is not good recovery talk, said Belgrano, but his honest opinion.

"If we're going to maintain our freedom and a free economy, we must be prepared for shocks such as these."

As inventories are reduced, however, Belgrano believes "the wheels will start turning."

Would Cut Taxes

He favors only government actions that will produce immediate results. One of these he lists as a reduction of taxes, especially of corporate taxes, so that people "with capital will have some incentive."

Some of the long-range projects will be long in the planning stage, he said, and fail to

See BELGRANO, Page 2

…consider the proposition of when will the money go into the till from the man swinging the till from the man swinging a pick or shovel.

There will be some ups and downs along the way, said Belrano, Costs will level off, he predicted, in commenting upon inflation. 'Wages are off," he said "but food is up. The little guy making $3000 a year in 1939 needs $7000 a year now to equal it."
If legislation in a political year adds up only to more inflationary moves, Be1grano said the only alternative will "to reduce the value of the dollar."

Opposes Monopoly

Deficit financing by the government and inflation are treated, in his opinion. He favors deficit financing only in extreme cases. Asked if he thought the position of union labor was now tantamount to a monopoly, Be1grano said the only alternative will be "to reduce the value of the dollar."
Belgrano said: “I am opposed to monopolies capital or labor. If there is a monopoly in either case it should be controlled by the same rules of the game."
The friendly, smiling Belgrano who started his career as a bank messenger showed a dash of resentment at what he termed "propaganda" that Transamerica had “invaded” New Mexico. Stating that Transamerica has been "branch-minded," he said all banks controlled by the corporation are operated by local staffs. Branch banking has done "much for the people," he said, toward lowering interest rates growth and promoting growth.
Belgrano made a talk at Santa Fe last night. He said he has met or will meet with directors of Transamerica – controlled banks at Hobbs, Gallup, Roswell, Santa Fe and Albuquerque.

FistAmerica Head

Accompanying him here is Oscar Keller, senior vice president of Transamerica who will come president of Firstamerica Corp. At tonight's banquet, Albuquerque American Legion posts will present colors to Beigrano, former national commander in 1934-35. After the June 30 reorganization, he said, Transamerica Corp. will be in a position (now forbidden by law) to consider underwriting New Mexico ventures. New Mexico, he asserted, 'is living under a false economy" in relation to its dependence on government projects."
The time will come, he predicted, when the U. S. will settle its differences with Russia and the cold war will be ended. That will be the time, he said, when the state will need to rely on industry. Albuquerque, he said, needs an aggressive Chamber of Commerce and a "vigilante" attitude in going after new industry.

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Bank Names
Top Aides
At its regular board of directors meeting on Tuesday, Mont E. McMillen was appointed senior vice president of Firstamerica Corporation, it was announced by Oscar H. Keller, president. At the same meeting, George Ellis, San Mateo, was promoted to assistant vice president, and J. H. Laas Jr., Daly City, to assistant treasurer. Recently named vice president of Firstamerica is Gaylord K. Prather, 3 Castro court, Burlingame, who has served with various Firstamerica banks in the Pacific Northwest. He was most recently assistant vice president of Firstamerica's predecessor Transamerica Corporation. McMillen has been vice president of Firstamerica Corporation since Its formation on July 1 of this year. He previously served as chairman of the board and President of First National Bank of Arizona and in various Firstamerica predecessor banks. McMillen is currently director of Bank of Nevada, First National Bank of Nevada, National Bank of Washington and First National Bank of Arizona. Well known in western banking circles, McMillen began his career as a messenger for the Commercial National Bank of Los Angeles in 1920. The Firstamerica Corporation, with headquarters in San Francisco, is majority stock holder of 23 banks with 329 banking offices serving the eleven western states.

GAYLORD PRATHER July 16, 1958 San Mateo Times-

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Oakland Tribune, Wednesday, Aug. 20, 1952

L.M.Giannini,
Bank Chief,
Dead at 57
Western Financial,
Civic Leader Succumbs
After Long Illness

Lawrence Mario Giannini, president of the Bank of America, died last night in San Francisco. The 57-year-old head of the "world's largest bank" succumbed at 11:25 p.m. at Franklin Hospital. He entered the hospital in March for treatment for arthritis. Influenza and then virus pneumonia developed. His physician, Dr. LeRoy Brooks, said he apparently died of a heart attack. Mr. Giannini's death came less than four years after that of his father, the famed Amadeo Peter Giannini, one-time Italian immigrant boy who became one of this nation's most powerful financiers. The father died in June, 1949.

BANK CHIEF SINCE '36

The son, known in his banking empire as "L.M.," was named president of the Bank of America in January, 1936. He went on the payroll as a clerk in 1918. Born in San Francisco on November 25, 1894, Mr. Giannini was a boy of 9 when his father opened the door of a former tavern on the edge of the city's financial district and declared himself in business as a banker. From the time he could add and subtract, the youth was a visitor at the bank, founded as the Bank of Italy, and its increasing number of branches, taking opportunities to "understudy" clerks, tellers and minor executives and working during his school vacations. After grade school, he continued his education at the University of California and, in 1920, won a bachelor of laws degree from Hastings College of the Law. His training was broadened through foreign travel.

HEADED TRANSAMERICA

By the end of his first 10 years on the actual payroll, Mr. Giannini had achieved membership on the bank's general executive commitee and had been made vice-chairman of the board of directors. In April, 1929, he married Anna Mercedes Collins. In February, 1930, he succeeded his father as president of Transamenca Corporation, holding company which at the time held the stock of Bank of America. In the next two years, eastern interests, bolstered by substantial stock ownership in Transamerica, sought to act along lines which contravened principles on which "A.P." founded his institutions. "L.M." resigned the presidency of the corporation and called his father back from retirement. The two launched and won a "proxy fight" which returned control of the enterprise to California hands.

After this victory, in February, 1932, the son was appointed senior vice-president of the Bank of America, with his advancement to the presidency following four years later….Mr. Giannini was a noted civic figure, as well as leader in the financial world, and was a former regent of the University of California.

RESIGNS IN PROTEST

He resigned from the Board of Regents in 1950 in protest at the board's acceptance of a "compromise" plan to bar communists from the university staff. At that time, the board — with Mr. Giannni dissenting— voted to substitute a non-communist statement in each employee's contract for a compulsory non-communist oath Mr. Giannini served as Pacific Coast regional chairman for the Crusade for Freedom movement under auspices of the National Committee for a Free Europe. He headed the March of Dimes campaign in California in 1950. In 1949, he was awarded Italy's highest civilian honor — the Order Stella della Solidarieta, Italians, first class, for his contribution to the reconstruction of Italy. And in 1950 he was given a special award for outstanding public service by the Southern California Financial Writers' Association. Last year, he was awarded an honorary Doctor of Laws degree by the University of San Francisco. In 1946 he was named to President Truman's Committee for Financing Foreign Trade, and in 1947 to the Committee on International Economic Policy.

TITLES LISTED

A late listing of his various posts gives the following titles: President, director and chairman of the general executive committee, Bank of America, N.T.&SA.; president and director, Bank of America (International); director and member or executive committee, Transamerica Corporation; director, Merchants National Realty Corporation; chairman of the board, Occidental Life Insurance Company; director, Pacific National Fire

Insurance Company; director, Inter-America Corporation; director, National City Bank of New York; director, City Bank Farmers Trust Company of New York, and director, Fireman's Fund Insurance Company.
The noted banker was a member of the California Bar Association and the Bar Association of San Francisco; chairman of the board of associates, School of World Business, San Francisco State College; a director of the San Francisco Civic Ballet Association, and a director of Californians, Inc. He was chairman of the executive board of the Salesian Boys' Club, San Francisco.
Mr. Giannini was on the California Centennial Committee. He was honorary vice chairman, in 1948, of the American Cancer Society's fund drive. He was a member of the Native Sons of the Golden West, Knights of Columbus, Benevolent Protective Order of Elks, **Bohemian Club**, Commonwealth Club, Menlo Circus Club, Olympic Club of San Francisco, Commercial Club of San Francisco, Jonathan Club of Los Angeles, Los Angeles Athletic Club and Gymkhana Club, San Mateo. Survivors include his widow, Anna, and two daughters, Anne and Virginia, who were at his bedside last night. The family home is in Atherton. Mr. Giannini also is survived by a sister, Mrs. Claire Giannini Huffman of San Mateo, a member of the Bank of America's board of directors. Funeral arrangements are in charge of Halsted and Company in San Francisco. Members of the family indicated rites may be held Friday at St. Mary's Cathedral. **S. Clark Beise**, senior vice president of the Bank of America, said the bank would not be closed today because of Mr. Giannini's death. "I am certain he would want us to continue," Beise asserted. "The bank will continue to function through its officers and through its managing committee."
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DAILY JOURNAL FERGUS FALLS, MINN, MARCH 17, 1954
Minnesota Man Named Head Of Largest Bank in America
SAN FRANCISCO – (AP) Seth Clark Beise, formerly of Windom, Minn., and son of a Minnesota country doctor was chosen president of the Bank of America Tuesday. Beise, 55, has been senior vice president of the world's largest private bank since 1949. He will succeed Carl F. Wente, who reaches retirement age this month. Founded in 1904 by A. P. Giannini, then a San Francisco produce merchant, as a "bank for the little fellow" the Bank of America has grown until it has 543 branches in California, 10 overseas offices and more than 20,000 employes.
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San Mateo Times - Nov. 17, 1954
Still in Wind
SAN FRANCISCO (UP)—The Bank of America has made it.plain it would still like to buy the 22 banks that Transamerica has now decided, not to sell. The Bank of America made known its position yesterday in a letter to stockholders signed by Pres. S. Clark Beise and Chairman F. A. Ferroggiaro. Transamerica sold the institutions to Bank of America in 1950, but the federal reserve board obtained a court order blocking the sale. The injunction was lifted in January, 1954, but Transamerica has refused to resell the banks. Last week, Transamerica merged the banks into the First Western Bank and Trust company, a 77 per cent owned subsidiary. First Western stockholders met today to ratify the plan.
Largest of the banks in question are the First Trust and Savings Bank of Pasadena, First National, Bank of Santa Ana and First National Trust and Savings Bank of Santa Barbara. The letter sent Bank of America stockholders said it was the stated aim of the late A. P. Giannini and L. M. Giannini to incorporate the 22 banks in the Bank of America system. The older Giannini founded both Bank of America and Transamerica. His son was president of Bank of America and executive committee chairman of Transamerica. The letter said Bank of America and its board of directors "regret" Transamerica's decision to keep the banks. It added:
"As Mr. L. M. Giannini stated, the branches filled logically into Bank of America's system, the comptroller of the currency determined that the public convenience would be served. That sale would also have been very profitable to Transamerica because of the enhancement of the value of the banks." These facts were brought to Transamerica's attention, the letter said, but to no avail. The letter mentioned that a personal appeal by Mrs. Claire Giannini Hoffman, daughter of A. P. Giannini, and his successor on the bank's board of directors, was also unavailing.

Brundage Out As Director Of the Budget

WASHINGTON (AP)—Percival F. Brundage resigned today as director of the budget.

President Eisenhower appointed Maurice H. Stans, now deputy director, to succeed Brundage.

Eisenhower also named Robert E. Merriam, currently an assistant to the director, as deputy chief of the bureau.

In a letter to Eisenhower made public by the White House, Brundage said he is stepping down because he "must attend to some personal matters that have been neglected."

His resignation is effective on or about March 15—two days from now.

Replying to a question, James C. Hagerty, White House press secretary, said "of course not" when asked whether Brundage was leaving because of any fiscal policy differences with the administration at this time of business recession.

Eisenhower accepted Brundage's resignation "with great regret and reluctance." Brundage has served as budget director since April 2, 1956. Eisenhower chose him to succeed Rowland R. Hughes.

Brundage had been deputy budget director since May, 1954. Before that he was a senior partner in the Price Waterhouse accounting firm.

Bank Plans $13 Million S. F. Building

SAN FRANCISCO (AP)—The Bank of America will build San Francisco's biggest office building, a 13 million dollar structure, president S. Clark Beise, 420 El Cerrito, Hillsborough, announced today.

Beise described the project as an aid for Bay Area economy in the midst of a recession.

"This is an expression of confidence in the future of the city, state and the nation," Beise told a news conference.

"It adds up to a contribution to the Bay Area economy. The present is a fine time for those contemplating capital expenditures to go ahead with them."

The building will be at Market and Eleventh streets and South Van Ness avenue. Clearing of the area will start by April 1, Beise said, and construction will be completed by the fall of 1959.

The building will be eight stories with provision for expansion to thirteen.

San Mateo Times

DEVOTED TO THE INTEREST OF SAN MATEO COUNTY

A HOME-OWNED NEWSPAPER — ASSOCIATED AND UNITED PRESS DIRECT WIRES

No. 62 40 PAGES SAN MATEO, CALIFORNIA, THURSDAY, MARCH 13, 1958 10c PER COP

Big Gains Marked for Bank America

SAN FRANCISCO (AP) — Bank of America, the world's largest, reported today deposits increased $675,184,642 in the past 12 months.

That brought total deposits of more than 6½ million customers to $9,812,411,535.

President S. Clark Beise said in a mid-year statement that total resources stand at $10,779,846,808, a gain of $751,567,390 since June 30, 1957.

Loans outstanding as of yesterday totaled $5,462,979,657 against $5,351,598,843 a year ago.

Beise said net operating earnings for this year's first six months after taxes, were $37,168,066, or $1.45 a share, against $1.37 a share for the first half of 1957.

Federal Savings Lists Big Gain

Assets of San Francisco Federal Savings and Loan association are a record $57,304,273.52 as of

B. R. JOHNSON

SP Promotes B. R. Johnson

B. R. Johnson, who started as a truck driver in 1935, has been named president and general manager of Pacific Motor Trucking

Firstamerica Officially In Operation

SAN FRANCISCO (AP)—Firstamerica Corp. today announced itself in business as an independent bank holding company, taking over the 3 billion dollar banking empire of Transamerica Corp.

Transamerica, shorn of its bank holdings in a reorganization Company Act of 1956, retains assets of about equal value to those of Firstamerica, in other businesses. These include insurance, real estate, metals and miscellaneous enterprises, a company spokesman said.

Oscar H. Keller, president of Firstamerica, said the 23 banks in which it now owns majority interest have 329 banking offices in 11 western states. Firstamerica principal offices are at 580 California St.

Keller said the 20 million dollars in cash required by Firstamerica will enable it to provide proper legal reserves, to make capital contributions to subsidiary banks and insure adequate capitalization.

July 2, 1958 San Mateo Times—

Firstamerica Income Told

Oscar H. Keller, president of Firstamerica corporation, announced today that the unaudited consolidated net income of Firstamerica and its subsidiaries (after provisions for taxes and minority interests) totaled $3,845,600 for the three months ended September 30, 1958. This earnings report, the first one published by Firstamerica corporation since it was organized and began active operations on July 1, 1958, shows quarterly earnings equivalent to 34c per share on the basis of the 11,372,022 shares outstanding. These earnings do not include any unusual or non-recurring profits.

Keller disclosed that the net income of Firstamerica corporation alone amounted to $2,446,800 or 22c per share for the quarter. This income consists solely of dividends from subsidiary banks and dividends and interest from securities in Firstamerica's investment portfolio, less expenses and taxes. Firstamerica's proportion of net income of subsidiaries in excess of dividends received from such subsidiaries amounted to $1,398,800 or 12c a share for the quarter.

Firstamerica corporation began operations as a bank holding company on July 1, 1958. On that date it acquired the majority-owned subsidiary banks of Transamerica corporation which Transamerica disposed of in compliance with the Bank Holding Company act of 1956. Firstamerica owns a majority interest in 23 banks with 333 banking offices serving the 11 western states.

Business and Finance

-San Mateo Times Oct. 25, 1958

Bank Officer to Leave Kern

Shafter Bank of America branch manager Philip C. Clarkin has been promoted to manage the Watsonville branch, and Paul H Hoffman, a seasoned banker from the bank's Hunter Square office in Stockton, has been named to succeed him, President S. Clark Beise announced in San Francisco today.

The reassignments, effective next month, bring to Shafter a 29-year banking veteran with experience at branches in both metropolitan and agricultural areas of the state.

Hoffman, assistant manager of the Hunter Square branch the past three years, began his career at the San Francisco head office in January, 1930 and during the next 15 years, served at various branches in that city and in Oakland.

Promoted to assistant cashier and assigned to the Martinez branch in 1945, he returned to the head office as an assistant credit officer in 1947. After five years in the credit department, he went to the Sonoma County branch in Petaluma as a lending officer and was advanced to assistant manager at Hunter Square in 1956.

He attended Bank of America's 1958 farm seminar at the University of California's Davis campus and is a graduate of the American Institute of Banking.

His wife, Ruth, and their children, Patricia, 16, and Richard, 12, will accompany him to Shafter.

Bakersfield Californian, Oct. 28, 1959

Oakland Tribune – 7/22/1960

The board of directors of Transamerica Corp. yesterday elected Horace W. Brower to board chairman and named John R. Beckett to succeed him as president of the firm, effective, Sept. 15. Brower will continue as chief executive officer. Beckett was elected a member of the board to take effect immediately. Brower, who has been a member of the board since April, 1958, was named president following **the death of F. N. Belgrano Jr.** With more than 38 years of association with Transamerica and its predecessor and subsidiary companies, Brower is also president of the corporation's largest subsidiary, Occidental Life Insurance Co. of California. He will continue as president of Occidental, which has headquarters in Los Angeles. Beckett will resign as vice

president and director of Blyth & Co., Inc., to accept his new position. A native Californian, Beckett was born in San Francisco. He attended public school in the Bay Area and graduated from Stanford University in 1939. He was appointed vice president of Blyth in 1955.

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Mid-50s BHC battle helped shape today's banking landscape, literally.
By Steve Cocheo, executive editor
scocheo@sbpub.com

After more than two decades of often-bitter wrangling, in mid-1956, Congress passed the Bank Holding Company Act, including the "Douglas Amendment." At the time, the act and that amendment, especially, represented a major restriction on the activities of a portion of the banking industry. However, it also helped bring about today's geographic landscape in banking.

One of the authors of the act was Sen. A. Willis Robertson (D.-Va.), successor to Sen. Carter Glass, of Glass-Steagall Act fame, and father of Pat Robertson, today's tv evangelist. Robertson chaired what was then the banking subcommittee of the Senate Banking and Currency Committee. In the June 1956 Banking, Robertson wrote that the new law was "… the most significant banking statute that has been enacted since the Banking Act of 1935 [Glass-Steagall]. It is important to bankers of every state of the Union, but is of particular concern to bankers in the 33 states where bank holding companies are carrying on active operations."

Today, there are holding companies, large, medium, and small, all over the business. But at the time of passage they were a relatively new, and increasingly powerful, factor. The 1956 act's two main purposes were to rein in future expansion of bank holding companies, and to require them to divest themselves of nonbanking investments.

Regarding the latter point, one of the best examples of what was going on was Transamerica Corp. Founded by A.P. Giannini, founder also of Bank of America, Transamerica owned banks in multiple states as well as nonbanking businesses in insurance and other. In a January 1956 Banking commentary, **F.N. Belgrano, Jr.,** Transamerica's chairman and president, argued against the pending holding company act. He noted that the industry was fighting itself, with smaller, hometown banks and their allies on one side, and larger, holding-company-centered banking firms on the other.

Wrote Belgrano: "… the real bone of contention is whether bank holding companies have an advantage over their competitors and, if so, whether this advantage is 'unfair' so as to justify congressional intervention."

An opponent, and a former ABA president, banker A.L.M. "Lee" Wiggins, president, Bank of Hartsville, S.C., stated in the December 1955 Banking:

"… On the whole, holding companies have a splendid record in their operation of banks. They performed a valuable service in taking over and saving a number of banks during the depression period of the thirties. Simple fairness would dictate that holding companies owning banks across state lines should not be required to divest themselves of such ownership. However, future acquisitions across state lines should be prohibited by federal law. Such a policy would be consistent with that now applicable to branch banking across state lines …"

The holding companies lost the battle, and along the way, the Douglas Amendment became part of the new law. Paul Howard Douglas (D.-Ill.), economist and professor, and a strong backer of what became Truth in Lending, added a rule that extended the restrictions on bank branching contained in the McFadden Act ("Then and Now," April) to holding companies. Holding companies had been seen as evading McFadden by acquiring banks in other states, in lieu of the McFadden-barred branching. As Robertson wrote in 1956:

"Interstate expansion is controlled by the Douglas amendment, which prohibits a bank holding company from acquiring a bank outside of the home state of the holding company unless the laws of the state to be entered

specifically authorize such acquisitions by out-of-state holding companies. No state now has such an authorizing law, so at present no holding company can acquire additional banks across state lines."

After passage of the 1956 act, divestitures were made. Transamerica, today part of a larger financial firm, kept its nonbanking activities and spun off its nearly two dozen banks in 11 western states into a separate firm. In time, that firm became **First Interstate Bancorp**, acquired in the mid-1990s by **Wells Fargo**, itself acquired by Norwest Corp., which adopted the name, in 1998. Today's Wells has banking offices in 23 states.

In 1970 some amendments to the holding company act further tightened its strictures, but in the mid-1980s, exploitation of loopholes, and a Supreme Court case saw the barriers to bank holding company interstate expansion begin to erode. The High Court upheld the concept of regional compacts, in which participating states within a region would permit interstate activity within the region. This fostered regional powerhouses—by design—that in time became some of today's giants. As successive banking laws further eroded interstate restrictions, these giants grew, and grew. The Douglas Amendment was officially repealed in 1994 by the Riegle-Neal Interstate Banking and Branching Efficiency Act.

In the May 1998 ABA Banking Journal, "Of maps and men" marked the takeover by NationsBank, Charlotte, N.C., of BankAmerica. The acquiror adopted the target's name, and, in the end, a Bank of America—albeit headquartered in the East, not California—came to be, at $1.7 trillion, the nation's second-largest bank holding company, with banking offices in 32 states and Washington, D.C.

View October 08 Digital Magazine Today!
Article on Page 9

TA Chief Hits Bank Holding Bill

By RALPH H. HEPPE
Associated Press Writer

Frank N. Belgrano Jr., board chairman of Transamerica Corp., said today that Senate action yesterday in passing a bill to regulate bank holding companies "is a serious setback for those of us who believe in the American system of free enterprise."

The bill would force bank holding companies to divest themselves of non-banking interests. Besides having 238 banking offices in the 11 western states, Transamerica has interests in fish packing, foundries, real estate, insurance, oil and aircraft parts manufacture

Belgrano told the annual meeting of the holding company's stockholders that if the bill becomes law it will "require substantial adjustments" in Transamerica's business.

The Senate bill differs slightly from the measure as passed by the House last year.

"We have never resisted reasonable regulation," Belgrano said.

"We are already closely regulated, supervised and examined by many state and federal agencies. We oppose this legislation on sound ground of principle and have no apologies to make."

Belgrano returned last night from Washington where he appeared in opposition to the bill. He said he would continue "in every possible way to make our position known and to protest this serious departure from fair play and sound standards of good government."

Belgrano reiterated charges that the measure "singles out Transamerica for special and highly discriminatory treatment."

Oakland Tribune, April 26, 1956

Ray M. Gidney Comptroller of the Currency from 1953 to 1961.
He resigned to accept a position with a large bank in Jacksonville, Florida.
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George M. Humphrey was Ike's first Sec. of Treasury. John Foster Dulles was Sec. of State.
ANDERSON, R. B. (Vernon, Texas) Deputy Chairman of Fed. Reserve Bank of Dallas.

CA-7.100. Acquisition of Bank Stock by Holding Company.-In June 1948 the Board of Governors issued a complaint against Transamerica Corporation, charging that the acquisition of certain banks in California, Oregon, Washington, Nevada, and Arizona by that corporation violated section 7 of the Clayton Antitrust Act. That section, enacted in 1914 and amended in certain particulars in 1950, prohibits any corporation from aequiring the stock of one or more corporations engaged in commerce where the effect may be substantially to lessen competition or to tend to create a monopoly. Authority to enforce compliance with this provision is vested in the Board of Governors where the statute is applicable to banks.
Hearings were held in Washington, D. C., and in San Francisco, California, over a period of several years and, after oral argument before the Board, the Board, on March 27, 1952, issued an order requiring Transamerica to divest itself of the stock of 47 of the banks ramed in the Board's complaint. Transamerica Corporation petitioned the United States Court of Appeals for the Third Circuit to review the Board's order. While the court decided that banks are within the purview of section 7, thus affirming the Board's jurisdiction in this field, it held that the Board's order was not supported by the findings which the Board had made.
On November 30, 1953, the Supreme Court of the United States denied a petition for a writ of certiorari to review the decision of the Court of Appeals. On December 4, 1953, the Board announced that it had decided that no further action would be taken in this proceeding. Transamerica Corporation v. Board of Governors, 206 F. 2d 163; cert. den. 346 U. S. 901 (1953).

1944-1953 Ray M. Gidney Federal Reserve Bank of Cleveland President

William McChesney Martin, Jr., Chairman of Board of Governors of the Federal Reserve System; Ray M. Gidney, Comptroller of the Currency; 1955

Ray M. Gidney
pic
President November 1, 1944 to April 16, 1953 (resigned to accept an appointment by President Eisenhower to become Comptroller of the Currency)

Mr. Gidney was born in Santa Barbara, California on January 17, 1887. He attended the University of California, graduating in 1912 with a Bachelor of Science degree. Mr. Gidney first became associated with the Federal Reserve System in 1914 when he was appointed secretary to the Hon. Adolph C. Miller, then a member of the Federal Reserve Board. In 1917, he joined the Federal Reserve Bank of New York, where he served until 1944. He was vice president of Bank Supervision and Bank Relations there when he was chosen to head this Bank.
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Alexander Grant and Company, national certified public accountant firm, has merged its practice in this area with Reed and Moran, certified public accountants, and has opened offices in Oakland and San Francisco.

Maurice H. Stans, executive partner, said that Malcolm Reed and Edward F. Moran will be the managing partners of the newly merged offices in the Bank of Commerce Building, 1540 San Pablo Avenue.

Stans said: "The selection of Oakland and San Francisco for the enlargment of our services is the result of extended studies

Oakland Tribune Dec. 2, 1953

1954--Maurice H. Stans of Chicago is newly-elected president of the American Institute of Accountants. He was named to the post at the group's annual meeting in New York.

Oakland, 10/21/1954 -- Malcolm Reed, certified public accountant with the Oakland office of Alexander Grant and Company, is in New York City for the annual meeting of the American Institute of Accountants. More than 2,500 CPAs and their guests are attending the sessions, which began Sunday and are scheduled to end today. **Maurice H. Stans** of Chicago, a partner in Alexander Grant and Company, a nationwide firm, is the official nominee for president
of the institute.

Oakland Tribune 1957
NEWPORT, R.I., Sept. 17—(AP)—President Eisenhower discussed federal budget problems for 45 minutes today then went off to a golf course, which was still soggy from an overnight rain. The President and Budget Director Percival Brundage met at the vacation White House immediately after Brundage arrived by plane and helicopter from Washington. Also on hand for the conference was Brundage's new deputy, Maurice H. Stans, who was sworn into office yesterday after resigning as deputy postmaster general. Brundage turned down a request for a news conference He sent word to reporter there was nothing he could say at this time regarding planning for federal spending during the fiscal year starting next July 1.

PRELIMINARY REPORT

Brundage and Stans, returning to Washington later in the day, also brought along a preliminary report on govenment spending and revenue for the current fiscal year. It will be made public in Washington about Oct. 1.
It was raining when Eisenhower showed up at his office at the U.S. Naval Base at 7:30 a.m. today. It had let up by the time he concluded the conference with Brundage and Stans, but the skies still were murky.
Despite the gloomy weather Eisenhower boarded his Navy cabin cruiser, the Barbara Anne, and crossed Narrangansett Bay to the Newport Country Club for a round of golf. Just before leaving he appointed Alexander C. Robinson III of Shaker Heights, OH to be a member of the National Capital Planning Commissior. A Republican and a Cleveland architect, Robinson succeeds Joseph D. Lohman, whose term has expired….

Oscar Herman Keller was born in Canada in 1896 to American parents. He came by train to the US in 1923 and moved to Portland. Wife was born in England. He became a banker there for many years and was named president of the spinoff of Transamerica—Firstamerica—in 1958, according to the San Mateo Times on April 24, 1958:

> SAN FRANCISCO (AP)—Transamerica corporation—one of the world's largest banks — today approved a plan to turn over its majority interest in 322 banking offices to a new firm, Firstanerica, with a Burlingame man as president. Firstamerica, with more than three billion dollars in assets in 11 western states, will devote all its interests to the banks. Transamerica will retain its holdings in insurance, real estate and manufacturing companies. The reorganization plan, aimed at bringing Transamerica into compliance with the Bank Holding Company Act of 1956, was approved by stockholders at their annual meeting today. **Oscar H. Keller** of 142 Newton drive, Burlingame, was elected president of Firstamerica. A senior vice president of Transamerica, he will continue to serve on the board of directors until completion of the reorganization plan.
> The exchange of stock and other properties will become effective next June 30.
> **Frank N. Belgrano Jr**., president and chairman of the board of Transamerica, was re-elected. He also is chairman of the board of Occidental Life Insurance Co. of California.
> **Leland M. Kaiser**, a San Francisco investment banker who said he represented a proxy of 750 shares, challenged the board of directors of Firstamerica Corp. as nominated by Transamerica board. Kaiser said that a special meeting of stockholders should be held and a new board elected as soon as possible after Firstamerica comes into existence July 1. Belgrano demanded to know Kaiser's purpose—whether it was a proxy fight, and who Kaiser represented, with the number of shares.
> Kaiser said he could not divulge the identity of the shareholders, adding "It is not a proxy fight, only that the shareholders I represent thought democracy should prevail in the selection of a new board."

The basic reorganization plan separates Transamerica's majority- owned banking interests from its other interests by transferring to Firstamerica all of Transamerica's directly-held banking shares and 20 million dollars in cash.

In exchange, Firstamerica issues to Transamerica 11,372,022 shares of capital stock of $2 per share par value. The shares will be distributed pro rata to stockholders of Transamerica.

Stock Distribution

After the stock distribution, each Transamerica stockholder will hold one share of Firstamerica stock for each share of 2 par value stock of Transamerica—and without surrendering any stock. Transamerica officials said distribution of the new stock would be made as soon as possible after June' 30.

Transamerica will continue to be listed on the Pacific Coast and New York Stock exchanges and application will be made to list Firstamerica on those exchanges.

Oscar H. Keller of Burlingame, who was today elected president of the new banking giant, Firstamerica Corporation, started at the bottom as a teller in **The Bank of Montreal**. The new Firstamerica Corporation president lives at 142 Newton drive with his wife, Elizabeth, and children, Mike, a student at Burlingame High school, and Trudie, 13, who attends Burlingame Intermediate school. They came to Burlingame from Portland, Ore., three years ago. A senior vice-president with Transamerica before today's creation of Firstamerica, Keller was born in Port Arthur, Ontario, Canada, August 29, 1896. Educated in Vancouver, he started his **banking career with the Bank of Montreal in 1914**. He joined the Bank of Italy, predecessor of the current Bank of America, in 1923, and was assigned to work at the San Francisco and Oakland main offices. He joined the First National Bank of Portland, in which A. P. Giannini held an interest in 1934 as operations officer, and then left the bank to become associated with. Transamerica Corporation as executive vice-president and cashier when the Bank of America and Transamerica parted ways in 1955.

He was senior vice-president of the banking division of Transamerica until his election as head of Firstamerica this morning. He will remain a director in Transamerica until the corporation reorganization is completed.

Frank J. McCarthy was a director of Transamerica in 1932 after Giannini regained control from Elisha Walker. (Oakland Tribune – 2/15/1932)

Frank Jeremiah (Sr.?) 8/19/1895 in Toledo, Ohio, USA and married Delphine Cronin in Feb. 1924; twin sons:

- John T (Jack) McCarthy born that November in Alameda. Married Lucille in 1947.
- Frank Jeremiah McCarthy (born in Oakland in 1924) married in 1951 at St Theresa's Catholic Church in San Jose, CA.

Frank Sr.'s father was Jeremiah McCarthy, born in Ireland in 1841 and lived in Toledo, with two sons:

- Patrick James McCarthy 1885 – 1970
- Frank Jeremiah McCarthy 1895 – 1953

Frank is from a totally different line as this one:

Elmanson Avery McCarthy - Birth 25 Jul 1906 in Los Angeles, Los Angeles, California, USA In 1920 his father (born NY) was a real estate broker in L.A. and lived at 457 S. Norton Ave. The 1910 census shows E.A. Sr. and his family living with parents James Polk McCarthy (born Oswego County, NY 1848) and wife Myra Lucilla Chesebro at 207 Broadway in L.A. Myra's father was Elmanson Chesebro.

AT 90 SHE HEADS REAL ESTATE FIRM

LOS ANGELES.—(P)—Although she is 90 years old, Mrs. James Polk McCarthy is still the active president of a large real estate concern. She signs checks and contracts and makes personal visits to its subdivisions.

Her business career dates back 51 years—long enough for her to have been barred once from the Los Angeles real estate board because of her sex.

Gastonia (N. C.) April 12, 1937

Services Friday For
James H. McCarthy
A public memorial service for James Howard McCarthy will be held Friday at 11:30 a.m. at the Church of the Angels, 1100 N. Ave. 64, Pasadena. Mr. McCarthy, an executive of Pacific Holding Corp. and president of Anaheim Union Water Co., died Tuesday. He was an active member of the community and resident of Pasadena since 1946. Mr. McCarthy, from an early California family, is the great-grandson of Gen. B.C. [Billington Crum] Whiting, who came to California in 1850 and was appointed U.S. district attorney by Abraham Lincoln and later became the U.S. superintendent of Indian Affairs for California. Mr. McCarthy's father, E. Avery McCarthy, and his grandfather, **James Polk McCarthy**, were pioneers in real estate in San Francisco and Los Angeles, incorporating their firm in 1892. Mr. McCarthy joined the family realty and development company in 1934 and helped direct its operations for 40 years. In 1946 he acquired 50 per cent ownership of The McCarthy Co. with his brother, E. Avery McCarthy. Under their guidance they built more than 5,000 homes in Southern California. In 1969, the brothers sold their interest to Pacific Holding Corp. Mr. McCarthy was a director and member of the executive committee since 1974. During World War II he served at a lieutenant commander in the U.S. Navy. He served in the South Pacific where he was decorated for participation in three attack landings in campaign from Guadalcanal to Bougainville. Mr. McCarthy was born in Redondo Beach and raised in Los Angeles. He attended Woodbury College and Stanford Univeristy. He was interested in econology and was a member of the California Vintage Wine Society, the Wine and Food Society of Pasadena and the Chevaliers du Tastevin. He was also a member of the California Club and the Los Angeles Yacht Club. He leaves his widow Barbara and a brother E Avery McCarthy. [Looks like they had no children]

Inventory of the Billington Crum Whiting Papers, 1839-1948 (bulk 1849-1869)
Billington Crum Whiting (1812-1881), an Owego, N.Y., lawyer, succumbed to the California gold fever, joined the Ithaca and California Mining Company and traveled from Ithaca, N.Y., to the southern mines of California in 1849. He went by way of the Arkansas River, Pueblo (Colorado), Salt Lake City (where he stayed and worked for a time) and the Old Spanish Trail through Cajon Pass to Los Angeles. After going to Mariposa County, he was one of a group who organized a freight line from Stockton and ran a grocery store and restaurant. A short time later he left for San Francisco to practice law. In July 1852, his wife, Susan Helen (Colegrove) Whiting (1826-1913) sailed for California, coming by way of Panama. She arrived in San Francisco and soon the couple moved to Santa Cruz where Whiting owned a ranch, practiced law, and became State Senator for Monterey and Santa Cruz (1854-1855). For a time he had a law office in Sacramento with his brother-in-law, Cornelius Cole. From 1861 to 1867 he was U. S. District Attorney for the Southern District of California and from 1867 to 1873 he served as Superintendent of Indian Affairs in California. In 1873 he moved to Los Angeles, buying a small orchard and ranch on West Adams St. The couple had two daughters: Katharine Lucretia born in Santa Cruz in 1853 (later married to Albert James Howard, son of Volney Erskine Howard) and Lalla, born in Sacramento in 1856 (married James Johnson Mellus, son of Francis Mellus and grandson of Santiago Johnson).
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http://www.tshaonline.org/handbook/online/articles/fho80
HOWARD, VOLNEY ERSKINE (1809–1889). Volney Erskine Howard, lawyer, legal scholar, and legislator, was born in Maine on October 22, 1809. He attended Bloomfield Academy and Waterville College. In 1832 he moved to Brandon, Mississippi, where he studied law and was admitted to the bar. In 1836, as a member of the House of Representatives of the Mississippi legislature, he carried the state's electoral vote for Martin Van Buren to Washington, where he remained some weeks and married Catherine Elizabeth Gooch of Massachusetts. In 1837 he was appointed reporter for the Mississippi court of errors and appeals. For several years Howard was editor of the Mississippian, a Democratic paper published at Vicksburg. The Mississippian opposed the passage of a bill for the state to guarantee issues by the Union Bank of Vicksburg. Howard was severely criticized for his stand, and during the heated debates on the subject he fought duels with Sergeant S. Prentill, Alexander G. McNutt, governor of Mississippi, and Hiram G. Runnels, governor of Mississippi from 1833 to 1835 and president of the bank. In the duel with Runnels Howard was severely injured. In 1840, in conjunction with Anderson Hutchinson, Howard published *A Digest of the Laws of Mississippi*.He also published seven volumes of Mississippi Law Reports, 1834–1844 (1839–44).

In 1840 he was defeated for election to the House of the Twenty-seventh Congress. Shortly afterwards he moved to New Orleans, where he practiced law until December 1844, when he moved to San Antonio, Texas. He was a delegate to the Convention of 1845 and represented Bexar County in the House of the First Legislature. On February 27, 1846, Governor James Pinckney Henderson appointed Howard attorney general of Texas, but he declined the appointment. Howard was a representative from Texas in the House of the Thirty-first and Thirty-second congresses but was defeated for reelection in 1852 by Peter Hansborough Bell. President Franklin Pierce appointed Howard attorney to the Land Commission of California, but he resigned after a few months to practice law in San Francisco. After moving to Sacramento in 1858 and to Los Angeles in 1861, he served as district attorney from 1861 to 1870. He was elected judge of the superior court of Los Angeles in 1879 and was a delegate to the California constitutional convention in 1878–79. Because of his age he declined a nomination for judge of the United States Supreme Court. At the expiration of one term on the superior court he retired because of ill health. He died in Santa Monica on May 14, 1889, and was buried in Fort Hill Cemetery, Los Angeles. Howard County, Texas, established on August 21, 1876, was named in his honor.
BIBLIOGRAPHY:
Biographical Directory of the American Congress. Zachary T. Fulmore, "General Volney Erskine Howard," Quarterly of the Texas State Historical Association 14 (October 1910). United States Congress, Biographical Directory of the United States Congress, 1774–1989 (Washington: GPO, 1989).

Oakland Tribune – July 1949
Insurance Firm Opens Office Here
Establishment of an Oakland division by the Industrial Indemnity Company, one of the state's largest private writers of workmen's compensation insurance, was announced today by K. K. Bechtel, president.
The new office, located at 12th and Harrison Streets, is directed by **Volney E. Howard Jr.,** division manager. The local branch serves agents, brokers and policyholders in 15 counties in the Northern coastal region. Other division offices are in San Francisco. Sacramento, Fresno nnd Los Angeles.

Kenneth Karl Bechtel (July 4, 1904 – February 4, 1978) was the son of Warren A. Bechtel, the founder of the Bechtel Corporation.
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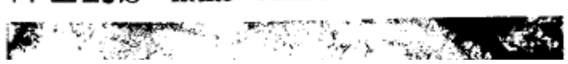
PIONEER GROWERS HARD PRESSED FOR PROFITS

INDEPENDENT, STAR-NEWS
Sunday, Nov. 3, 1957

Auld Lang Syne



By C. F. SHOOP

PASADENA'S OLDEST ADOBE STILL STANDS

Residence at 2121 Monte Vista Street, built by James Craig in 1869, has been added to and remodeled but still retains much of its historic charm. Home was known as The Hermitage.

TYPICAL INTERIOR VIEW AT THE HERMITAGE

Living room view shows one of the five fireplaces in house on old Craig ranch, now owned and occupied by Mr. and Mrs. Maxwell Mason. Shown reading is Cole V. Mason, teen-ager son.

Neither wine grapes nor peaches—or any other deciduous fruits—were profitable crops here in the '70s, according to Charles V. Craig of Berkeley, son of James Craig who started the Craig tract here several years before Pasadena was founded. The Craigs named their ranch "The Hermitage" and the adobe residence they built (perhaps in 1869) is still standing at 2121 Monte Vista St. Present owners are Mr. and Mrs. Maxwell Mason who love the historic old place and delight to let their imaginations roam back to life as it was lived here nearly 90 years ago.

"Grapes didn't pay too well in those early days," writes Charles Craig in answer to an inquiry from your Auld Lang Syne columnist as to events he recalled as a boy on the old home place.

JAMES CRAIG, "daddy" of the Craig ranch and "The Hermitage," was born in northern Ireland in 1840. After graduating from Queens' College, Belfast, as a civil engineer, he served in the British Civil Service in India and at one time was consulting engineer to the Sultan of Morocco. He came to California in 1869, according to my best information, and in May of that year purchased from Griffin and Wilson a tract of 5,000 acres, most of which had been a part of the San Pasqual Rancho. (A small portion of the Craig ranch was carved from Rancho Santa Anita, the records show.)

As nearly as we can determine, the Craig ranch was the second oldest one in the Pasadena-Altadena area, second only to the Fair Oaks Ranch, familiar to many Pasadenans. The Craig ranch included almost all of the land east of the present Lake avenue to what is now Altadena drive (formerly Foothill), and from the Grant Line along the northern mountains to San Pasqual street on the south. Only exception was the Fair Oaks ranch, once owned by Judge B. S. Eaton, and a tract owned by a man named Mayes (altogether about 521 acres). In the original Craig tract were about 816 acres which B. D. Wilson re-purchased in 1878 to add to the subdivision called by him the Lake Vinyard Land and Water Tract.

According to Miss Ives' History of Altadena, Craig paid $31,250 for his 5,000 acres and sharing in the financing of the tract were John Craig (the late Sir John Walker Craig), William Grogan and Alexander B. Grogan. James Craig paid taxes on the tract until 1880, then in 1881, after the death of William Grogan, Alexander B. Grogan took over title to the land. So the land is known by three names, the Craig tract, the Craig-Grogan tract, and later the Grogan tract. The Grogans were not related to the Craigs, but came from Ireland and were merely business associates.

* * *

IN HIS DEALINGS with his associates, James Craig arranged that he be allowed to reserve some 93 acres as his own chosen home site and it is on this part of the Craig tract that "The Hermitage," pictured on this page was erected.

The house originally fronted on Villa street, we understand, with a long circular drive extending several hundred yards north to where the Monte Vista street was put through later. So, now it fronts on Monte Vista and is entirely surrounded by nice modern residences. It is the only adobe residence in the neighborhood.

James Craig died in 1899, according to his son, who writes: "When father died, our brother, Volney Craig, took over management of the Hermitage ranch and succeeded in bringing much of father's pioneering in citrus culture to a successful issue. He organized the cooperative citrus association in Lamanda Park and became a very successful citrus operator elsewhere. It became possible to sell the 100 acres to the north for subdivision purposes and then dispose of the home place itself for a considerable sum."

WE DO NOT KNOW the names of all the owners of The Hermitage after the Craigs left, but we do remember that Miss Lenore Shanewise, an assistant director of the Pasadena Playhouse, took a fancy to the place and bought it. Earl Hugens, well known contractor and builder, remodeled the place for her and Miss Shanewise lived there until about 13 years ago when she sold it to Mr. and Mrs. Maxwell Mason, present owners. The Mason family — three sons and one daughter—have further developed the property and have made it into a very comfortable modernized Spanish type home. Walls are about 18 inches thick, there are 5 bedrooms, 3 baths, 5 fireplaces. Rooms are all spacious and ceilings are not as high as might be expected in a house built so long ago.

Craig avenue was, of course, named after James Craig. It was laid out in 1876 when the Craig and Grogan tract was surveyed for subdivision. Craig is credited with being the first person to attempt to drill an artesian well on San Pasqual lands. That was on the south side of Villa street, near Wilson avenue. In 1880 or 1881, he drilled and piped to a depth of 590 feet. Water stood in it at 340 feet, but did not come to the surface; hence he could not call it an artesian well.

Charles V. and Martha are the only surviving direct first generation descendants of James Craig. Both live in Berkeley and come down here only occasionally and when they do, they enjoy visiting the old home place, reliving the days of their happy childhood there. Charles and another brother, John W. (who died about five years ago in England) both became mining engi-

AULD: Turn to Page 11

neers. John, familiarly known as Jack, went to South Africa and became consulting engineer lor the Consolidated Gold Fields there. Charles, for years now a prosperous engineer in Northern California, describes

his career in the following words "I early decided against growing peaches in Pasadena and elected to wrestle with the mines and revolutions of Old Mexico." Another brother, Volney Craig, died here in 1943, but his widow still resides in Pasadena.

THE CRAIG CHILDREN

came by the name "Volney" honestly. Mrs. James Craig was a daughter of a man who played a very important pan in the early days of California. He was Judge Volney E. Howard, who, after serving in the US. Congress for Mississippi, came to California and was chairman of the Constitutional Convention w h i c h framed the present constitution of the state. He also organized the Superior Court of Los Angeles County and was the first judge to preside therein.

"Some of father and mother's pioneering experiences were pretty grim," writes diariest Craig. "At one time a swarm of grasshoppers ate up everything on the ranch — including mother's lace curtains. Then there was the bad windstorm of '91 which was credited with flattening every station house on the Sante Fe between Pasadena and San Bernardino. But all was not disaster. We had a beautiful, clean open country in which to grow up. While we did not have much spending money each of us had horses to ride and guns and there was good riding and hunting and companionship."

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Pasadena Independent – Feb. 1960

Pair to Study

Foreign Trade

Elmanson Avery McCarthy of Pasadena and Frank Van Dorn Moller of Altadena have enrolled as members of the January, 1961, class of the **American Institute for Foreign Trade**, Phoenix, Arizona. McCarthy is the son of Mr. and Mrs. E. A. McCarthy, 1000 S. Oakland Ave., Pasadena. Moller is the son of Mr. and Mrs. Frederick A. Moller, 2268 M. Allen Ave., Altadena.

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DAILY CAPITAL NEWS, THURSDAY, SEPTEMBER 24, 1931

Jefferson City, Mo.

Control of the Trans-America

Company Reported to

Have Changed Hands.

Control of the Transamerica Corporation, a two billion dollar holding concern for financial houses, has passed out of the hands of the Giannini family of California to Lee, Higgmson and Company, New York and Boston Bankers….

The announcement, made by Elisha Walker, chairman of TransAmerica, in a letter to stockholders showed that TransAmerica would relinquish control of all its banks, including the Bank of America (NY), the Bank of America National Trust & Savings Association (California), and the First National Bank of Portland, Ore. TransAmerica will hereafter invest in bank securities without acquiring control.

CHAIN BANKS ARE OPPOSED

Control of the Trans-America Company Reported to Have Changed Hands.

NEW YORK, Sept. 23—(AP)—The death knell of an ambition for a nation-wide chain of banks was sounded today.

Control of the TransAmerica Corporation, a two billion dollar holding concern for financial houses, has passed out of the hands of the Giannini family of California to Lee, Higginson and Company, New York and Boston Bankers.

Three partners of Lee, Higginson have replaced Amadeo P. Lawrence and Attilio H. Giannini on the Transamerica directorate. The Gianninis formed Transamerica in 1928.

The announcement, made by Elisha Walker, chairman of TransAmerica, in a letter to stockholders, showed that TransAmerica would relinquish control of all its banks, including the Bank of America (New York), The Bank of America, National Trust and Savings Association (California), and the First National Bank of Portland, Ore. TransAmerica will hereafter invest in bank securities without acquiring control.

Amadeo Peter Giannini, the 60-year old head of his family's interests, was born in San Jose, Cal. He attended business school for three months, remained in his father's produce business for a time and then embarked on a remarkable financial career.

The new controlling interests will divorce all affiliate corporations of TransAmerica banks from the institutions actually engaged in banking business. TransAmerica-Blair Corporation will be separated from The Bank of America. The Gianninis merged The Bank of America with Blair & Co., an investment house, in 1929.

Lynn P. Talley, governor of the Federal Reserve Bank of Dallas, Texas, becomes chairman of the board of the Bank of America, National Trust and Savings Association, with headquarters in San Francisco.

TransAmerica's assets are shown by Walker's letter to have decreased June 30, 1931, to $302,117,000 from $1,117,192,000 on December 31, 1930, by shrinkage of quoted values of securities.

THE BOSTON GLOBE—MONDAY, APRIL 5, 1920

BLAIR & CO.
Incorporated
24 BROAD STREET
NEW YORK

Blair & Co., Inc., announces its organization to engage in the general business of underwriting and dealing in Investment Securities as successor to the existing firms of

BLAIR & CO.
Established in 1890

WILLIAM SALOMON & CO.
Established in 1902

Its principal office will be located in the Blair Building, 24 Broad Street, New York. Branch offices heretofore maintained by the predecessor firms will be continued at Chicago, Boston, Philadelphia, Wilkes-Barre, Rochester, Buffalo, Cleveland, Detroit, St. Louis, San Francisco and Los Angeles. Foreign representation will likewise be maintained in London.

BOARD OF DIRECTORS

C. LEDYARD BLAIR, Chairman
ELISHA WALKER, President

George Armsby	John B. Dennis	Hunter S. Marston
Frank C. Armstrong	Heman Gifford	Dunlevy Milbank
William Braden	Edward F. Hayes	Alonzo Potter
James C. Brady	Clarence Lewis	Lewis P. Sheldon
Harry Bronner	George N. Lindsay	Jacques Weinberger
J. Cheever Cowdin	Edgar L. Marston	Graham Youngs

EXECUTIVE COMMITTEE

George Armsby	J. Cheever Cowdin	Elisha Walker
Harry Bronner	Clarence Lewis	Jacques Weinberger
	Hunter S. Marston	

April 5, 1920

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WARREN (Pa.) EVENING MIRROR, WEDNESDAY, MARCH 25, 1908.

Entire Situation, He Says, Dominated by the Standard Oil-Morgan Combination

— Senator Read Several Lists of Financiers Who Find Their Interest In Working With Leaders.

Washington, March 25.—Senator LaFollette delivered in the senate his third and concluding installment of his speech on the Aldrich currency bill.

Mr. LaFollette declared that his previous statement that the industries of this country were controlled by less than one hundred men was too conservative and that in fact a much smaller number of men dominate the industries. Along with this enormous increase in trust power has gone a steady process of centralization in the control of that power until now the entire situation is dominated by the Standard Oil-Morgan combination, he declared. "The old fights between those two great powers have been laid aside. Mr. Morgan's picture adorns the walls of the inner room of the Rockefellers at 20 Broadway.

Gathering In the Smaller Powers.

"In combination today they are working together to gather in the smaller powers. Mr. Hill has been taught that he must not oppose the big ones. Standard Oil got in on the Great Northern ore deal.

"The Gould interests are being swallowed up "by the combine. Morse and Heinze were neatly pocketed during the recent panic. The smelter trust was given a drubbing and started in the same direction. The Vanderbilts can no longer retain their important control and themselves see the handwriting on the wall."

Mr. LaFollette read several lists of eminent financiers to whom he accorded various degrees of power in the control of industries. He named as next after Morgan and the Rockefellers a group of fourteen men, who he said "were big operators and men of large powers and interests and in their own rights."

"These men," he said, "find their best interests in working in harmony with Morgan and Standard Oil." No combination which they could form among themselves could cope with that power. In this list of fourteen he placed W. K. Vanderbilt, August Belmont, Frederick Wyerhauser, Henry C. Frick, J. Ogden Armour, George J. Gould, Jacob Schiff, E. H. Harriman, Thomas F. Ryan, Louis S. Swift, John Jacob Astor, James Speyer, James J. Hill and W. H. Moore.

Stars of Lesser Magnitude.

A second class of men in the list were the "stars of lesser magnitude," but men of power, who work with the combine and a few of the higher rank of attorneys and bank presidents of the system. This group follows: C.H. Dodge, C. H. McCormick, Stephen S. Palmer, Brayton Ives, C. A. Peabody. G. F. Baker, J. F. Dryden, J. S. Post, **H. Taylor Payne**, T. H. Hubbard, G. G. Haven, W. J. Oakman, F. J. Berwind, J. B. Duke, F. A. Valentine, W. D. Sloan, Adrian Iselin, Jr., Frederick Cromwell, G. W. Young, **C. Ledyard Blair**, D. Guggenheim, V. P. Snyder, A. H. Brady, Edwin Hawley, D. O. Mills, Charles Steele, John J. Waterbury, Oliver Ames, Nathaniel Thayer, E. H. Gary, John Claflin, John R. Hageman, C. H. Mackay, F. W. Vanderbilt, J. J. Mitchell, **T. Jefferson Coolidge**, Thomas Dolan, Samuel Lea, Charles Lanier, James C. Fargo, D. O. Reid, Henry Walters, Norman D. Ream, **H. L. Higginson**, P. A. B. Widener and F. B. Morris.

These Hold a Delegated Power.

Of the third group, including the balance of the lists, Senator LaFollette said: "While some of them exercised large power and held many directorships, it was a delegated power exercised by them in a mere representative capacity. This part of the list is as follows:

"Edward S. Marston, G. W. Perkins, John S. Sterling, Otto H. Kahn, James F. Jarvis, A. W. Krotch, Paul Morton, H. C. Deming. Charles H. Russell, Chauncey M. Depew, Oliver H. Payne, W. S. Webb, **James B. Forgan**, **Moses Taylor**, Francis M. Bacon, J. A. Stillman, Luther Kountze, H. P. Whitney, P. D. Cravath, Levi P. Morton, N. N. Vreeland, W. Godbury Langdon, C. W. Morse, Charles M. Schwab, E. F. C. Young, J. H. Converse, **H. A. C. Taylor**, C. S. Fairchild, G. S. Whitson, A. D. Juilliard, G. H. Allen, V. Norawetz, J. H. Parker, Frederick Sturgis, C. N. Bliss, A. F. Orr, N. McK. Twombly, Charles Dawes and E. R. Shipley."

Mr. LaFollette argued that the Aidrich bill would only serve to strengthen this great money power of Wall street. He criticised the failure of the committee on finance in not keeping bank reserves in the vaults of the banks throughout the country. Mr. LaFollette concluded his speech with a strong appeal to the "progressive men" in the senate to stand together and beat the bill. He spoke of the activities of the president and Mr. Bryan in combatting with wrongdoing among high financiers and said: "They are believed jn by the people because they are fighting to –preserve the principle that the nation should be governed by the people." Senator Depew was in his seat at the time Mr. LaFollettfe included his name in the list of those "who hold many directorships." General laughter followed the mention of the New York senator's name.

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Mrs. C. Ledyard Blair, Long Colonist Here, Dies

Mrs. Harriet Brown Blair, 68, of "Honeysuckle Lodge" on Ruggles Avenue died unexpectedly Tuesday at St. Luke's Hospital, New York, after a brief illness.

She recently suffered an attack of German measles at her New York home, 1060 Fifth Ave. When she went to the hospital, her condition was not considered serious.

Mrs. Blair was the former Miss Harriet Stewart Brown, daughter of the late Mr. and Mrs. Alexander Brown of Baltimore. Her father was a member of the private banking house of Brown Brothers, with branches in several countries.

Her first marriage to T. Suffern Tailer of New York and Newport, prominent sportsman and founder of the Ocean Links here, took place in 1909. Mr. Tailer died in 1928. In 1936, Mrs. Tailer married C. Ledyard Blair, New York banker and yachtsman, who died in 1949.

Mrs. Blair became a legal Newport resident years ago and spent most of each year at "Honeysuckle Lodge."

Surviving are two children by her first marriage, T. Suffern Tailer Jr., of New York, noted amateur golfer, and Mrs. W. Gurnee Dyer of "Farmlands," Portsmouth. Mr. and Mrs. Dyer who had been in Palm Beach, Fla., were summoned to New York on her death.

Mrs. Blair also leaves eight granddaughters, two great granddaughters, and a great grandson.

Funeral services will be held Thursday at 10 a. m. in Madison Avenue Presbyterian Church, New York. The body will be brought to Newport later in the day for interment in the Island Cemetery.

NEWPORT, R. I., WEDNESDAY, FEBRUARY 11, 1953

1936 Newport, R.I.
Mrs. T. Suffern Tailer of New York and this city was married to C. Ledyard Blair of Peapack NJ., Sunday noon at West Palm Beach, Fla., according to word received here. The ceremony took place at the First Presbyterian Church, with the Rev. Dr. Morton Fox, pastor, officiating. In attendance were the immediate families and a few intimate friends. Mr. and Mrs. Blair plan to pass summers here at "Honeysuckle Lodge," Mrs. Blair's villa. Those present included the bride's son-in-law and daughter, Mr. and Mrs. Walter Gurnee Dyer of 'Farmlands," Portsmouth; Mrs. J. Laurens Van Alen of "Wakehurst," and her son-in-law and daughter. Prince and Princess Serge Mdivani, who were recently married; Mrs. McKenny Agerton and Richard Van Nest Gambrill of the summer colony, son-in-law of Mr. Blair.
Mr. Taller died suddenly Christmas Day, 1928, while visiting in Baltimore. Their son is T. Suffern Taller, Jr.. prominent amateur golfer, who married Miss Florence Baker, daughter of Mr and Mrs. George F. Baker, Jr.
Mr Blair, banker and yachtsman, married Miss Florence Osborne Jennings in 1891. She died in 1931. He is the **father of** Mrs. Richard Van Nest Gambrill. Mrs. William Clark. **Mrs. R. Livington Pyne** and Mrs. James Bethune Campbell. Mr. Blair has been living at the Black Rock Fishing Club the past few seasons.

San Mateo – 9/23/1932
VETERAN S.M. BANKER.
OUSTED FROM CONTROL,
ASSAILS CLIQUE IN N. Y.
San Mateo county's international banker, Amadeo P. Giannini, 20 El Cernto avenue, the man who fought his way from a San Franciico produce market to leadership in one of the world's greatest banks, entered a new struggle of financial giants today in opposing drastic reorganisation of TransAmerica.
Openly breaking with the executives to whom he had passed control of the institutions, Giannini aligned himself with the great mass of Transamerica stockholders and promised a "lively personal interest" in the corporation's future.
Known at 61 as "thc man who refused to become a millionaire," Giannini gathered all the power at his command today to fight the breaking up of the money giant he pulled from the ashes of the San Francisco fire in 1906. In a statement issued after directors in New York had voted to dispose of controlling interests in various bunks, Gianini pleaded for "faith in Transamerica" and then vigorously attacked the directors.
Not Fair to Stockholders
He commented first on the fact that he, the founder and former president of Transamerica, had been voted into retirement) as a director. 'I presented my resignation as an officer and director of Transamerica companies last June while
at Badgaste in Austria because I could not approve the policies, plans and procedure of my successor, Chairman Walker," Giannini said.

"The present plan, offered by Mr. Walker, is primarily objectionable in that it proposes to take out of the corporation the control of its principal and most valuable institutions and does not give the stockholders an opportunity to express themselves regarding the terms and time, of sale, merger, or other disposal, and no assurance is given that they will together remain in control of these institutions, as would be the case in the event of a free distribution, or that allowance will be made for normal time value, earning capacity, good will and control value. It is a well recognized fact that the good will value rests principally with the control, and if these valuable assets were to be disposed of in periods of market weakness such as at present, it would mean a great loss of value to Transamerica stockholders.

Assails Walker

"The action of the officers of the corporation in refusing to consider an alternative plan submitted by me, providing for an amendment to the by-laws to require a vote of the stockholders in matters involving sales of principal assets and major changes in structure, policy, etc., is, I believe, a fundamental mistake."

Seeing Transamerica slipping from his grasp, and with it his lifelong dreams of world financing, Giannini attacked Chairman Walker for voting the former's proxies in favor of a plan which Giannini opposed.

"At the special meeting of the stockholders called for the purpose of adopting the amendments proposed in connection with the new plan approved at the directors meeting of June 17, and for the additional purpose of changing the stock to no par value, there were, I am informed, not sufficient new proxies received by Mr. Walker and his associates to constitute a quorum, and without my knowledge or consent the general seven-year proxies previously given me along with others by the stockholders were voted in favor of Mr. Walker's amendments. Was it legal, fair or ethical for Mr. Walker to permit those proxies to be used in this manner?

Will Retain Holdings

"My intentions and the intention of my family is to retain our investment in the company. As a representative of a large stockholding, I shall naturally continue to

(Continued on Page Eight)

Three members of the Lee-Higginson firm replaced the Giannini interests on the board, with the following composing the new directorate:
Frederic W. Allen, New York, Lee, Higginson company; James A. Bacigalupi, San Francisco; Edward H. Clark, New York copper magnate; Charles E. Cutting and **Geo. Murnane**, Lee, Higginson company; **Paul D. Cravath**, New York; **Frederic C. Dumaine**, Boston; Henry O. Havemeyer, New York; Georges Jouasset, Paris; Charles W. Nash, Kenoaha, Wis.; **Jean Monnet, New York**, vice chairman; Armando Pedrini, San Francisco; Roland L. Redmond, New York; **Fred W. Sargent, Chicago**; V. Scialoja, Rome; and Chairman Walker. Transamerica assets have shrunk from $1,117,000,000 to $300,000,000 in less than a year, according to information available in Wall Street. The street had been expecting an important announcement from the big holding corporation, but the unique program proposed came as a complete surprise. Under the reorganization, will be written down to rock bottom and good will will be eliminated entirely therefrom. Walker's statement indicated the assets are worth the equivalent of $7 a share, "All good will and 'going concern' value, both of the corporationand its controlled institutions, has been entirely excluded," Walker said. "In addition, liberal reserves have been set up to provide for both known and anticipated losses. This method of valuation has been adopted because the board believes it to be in the interest of stockholders to be informed as to the most conservative valuation that can be placed upon assets of the corporation. The method of valuation, of course, does not change the assets themselves nor their intrinsic value."
Explaining the corporation's proposal for future disposition of portions of its present bank holdings, Walker said:
"Due to virtual absence of holdings of stock of Bank of America N. T. & S. A., outside of Transamerica's more than 99 per cent interest, there is naturally no current trading in these issues and consequently no established value for them. In view of this fact the board of directors recognizes that the disposition of part of Transamerica's holdings in this bank will require considerable time to effect and will necessitate particular study. Such disposition will be carried out only as favorable opportunities arise.
"Stockholders may be assured that in deciding upon a method of disposition, the interests of the shareholders of Transamerica will be the primary consideration and will be amply safeguarded.""
Walker pointed out, however, that changes are not-to be hasty and that sale of any securities will be gradual.
In determining to dissociate the stock control of such banks from the parent holding company, said Walker, "your directors have, at the same time, determined to separate such banks from connection with affiliated corporations performing collateral services not directly concerned with banking."
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Salt Lake Tribune – 9/23/1931
GIANT FIRM DROPS BANKS
Transamerica Discontinues Affiliates; Replaces Trio on Board
NEW YORK, Sept, 23 (UP)— The $300,000,000 Transamerica corporation decided today to divest Itself of all its affiliates, including the Bank of America of California, fourth largest bank in the country. It also elected a new directorate in which the famous Giannini family of San Francisco, for many years powerful in west coast banking circles, is not represented.
Besides the Bank of America of California, the Transamerica corporation relinquished control of the Bank of America of New York and the First National bank of Portland, Ore., which are 63 per rent owned by Transamerica. In addition, the corporation announced its association with Lee, Higginson & Co., international bankers, and election of new directors, including three members of the Lee, Higgiuson firm.
The three Gianninis (W. W., A H., and A. P.) were supplanted, but seven members of the former board remain. They include Elisha Walker, who continues as chairman: Jean Monnet, vice chairman; J. A. Bacigalupi, San Francisco, president; Edward H. Clark, president, Cerro de Pasco Power corporation; Paul D. Cravath, De Gersdorf, Swaine & Wood; Armanda Pedrini, San Francisco, president of the Italian chamber of commerce, and Georges Jouasset, Paris, director Union des Mines. Newly elected directors are Frederick W. Allen, Charles E. Cotting and George Murnane, all of Lee, Higginson & Co.; Frederic C. Dumaine, Boston, president of the Amoskeag Co.; Henry O. Havemeyer, New York, president the Brooklyn Eastern District Terminal; Charles W. Nash, Kenosha, Wis., president of Nash Motors company; Roland L. Redmond, **Carter, Ledyard & Milburn**; Fred W. Sargent. Chicago, president of Chicago Northwestern Railway company, and V. Scialoja,

Rome, member Italian senate and delegate to league of nations. **Lynn P. Talley**, formerly governor of the federal reserve bank of Dallas, Texas, was elected chairman of the Bank of America of California.
According to Chairman Walker: “while Transamerlca will continue to be an investor in the banking field, its policy will be to confine itself to minority holdings In amounts not involving a controlling influence. It is not intended, however, that the corporation shall confine its activities to the ownership of interests in banks. Your board believes that the present tendency toward the development of business enterprises upon a nation-wide scale offers an ample field for profitable financial service and investment by this corporation in cooperation with banking and financial institutions.” Walker said such disposition naturally will take time to effect in a manner which will be advantageous to the interests of Transamerica.
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Stevens Point (WI) – August, 8, 1917
Public Can be Potent Factor in Relieving Freight Congestion Incident to War
Shippers and receivers of freight can be a potent factor in winning the war by their unstinted co-operation with the railroads. This, in substance, is the conclusion reached as a result of investigations being conducted by the Railroads' War Board, according to George W. Murnane, secretary of the Twin City Sub-Committee, which is endeavoring to keep traffic moving normally in the northwest. "Shippers can aid immensely in the work," Mr. Murnane said, "by loading cars to capacity, by giving definite instructions to agents at various points, and by getting bills of lading to stations early enough so movement of cars will not be delayed. Their efforts in loading quickly after cars are spotted will also be of benefit. "Receivers ban do their part by unloading cars as soon as possible after they are received, thereby releasing this equipment for the hauling of other traffic. The lack of sufficient freight cars to care for the increased traffic incident to the war really render this co-operation necessary.'
With this co-operation the railroad managers feel that their efforts to keep traffic moving regularly will result in solving the transportation problem. Without it their almost superhuman efforts to aid the government and the public in the movement of supplies and the necessities of life may not produce the desired efficiency.

1920
Gleam of Hope Sets Remarkable Record in Training Handicapped Men to Become Self-Sup porting
New York Saturday.
A BUILDING which owes the city nothing is that where a "School of Another Chance" is being held daily, although, in truth, it calls Itself sedately "The Institute for Crippled and Disabled "Men."
Before this tenancy a business college was housed there and before that, the College of Physicians and Surgeons. A remarkable record, as will be admitted, but Its most useful days are the present, when 101 East Twenty-third street sees its floor space devoted to tho training of disabled men In printing, welding. Jewelry making, typewriter repairing, enamelling, and artificial limb making. The school has been operating since January, 1917. At the moment there are flfty-one men In training; eight learning to be motion picture projectors, nine- In typewriter repairing, fourteen each in welding and jewelry making. four In enamelling and one each in telephone operating end plating. Since the school first opened 336 crippled men have enrolled and of these 115 men have been placed in the work for which they trained. This means that upward of 300 discouraged dependents, likely to fall into mendicancy, have been restored to an earning capacity n.nd are contributing to the econo'mic status of society. That may be the way to phrase their uplift in cold blood, but it does not express the way these men feel: in order to do thlp one must talk In terms of psychology. They have been made over and life is to them no longer a menace or a weariness. These once hopeless cripples now havo a new state of mind.
Beginning, of the Institute.
At the start a child of the American Red Cross and inspired by the certainty that many boys would come back crippled from the world war, the school became a separate and Incorporated Institution last January.
The directors of the Institute aro Samuel M. Greer, presldent: Douglas C McMurtrie, secretary: Jeremiah MPbank, treasurer: Mrs. August Belmont, Mrs. Arthur Scott Burden. Miss 'Ethel L. McLean. Miss Florence L. Sullivan. C. G. Du Bois. W. J. Hiss. Walter E. Hope. **George Murnane,** and Arthur Woods…. The Institute was ready with data collected by its secretary. Douglas C. McMurtrie, who had spent eight years gathering it In this and foreign countries.

1923 –
LONDON. May 5. — The American Invasion of London Is in full swing … At the Berkeley hotel … George Murnane, vice president of the Liberty National bank, of New York.

Department On Trial In Bonds Probe

Senator Johnson Makes Charges Against State Department; Has New Witnesses.

By PAUL R. MALLON
United Press Staff Correspondent

Washington, Jan. 8—(UP)—The state department was virtually put on trial today in the senate foreign loan investigation.

Senator Johnson, Repn., Cal., is understood to have several new witnesses who are prepared to testify concerning activities of the department in connection with Wall Street's "foreign bond spree."

Johnson has charged the department secreted for five years the letter of former Secretary Kellogg to the international bankers, which warned them diplomatically of a likely collapse in the foreign bond market from over-lending.

Meantime Senator Glass, Dem., Va., is preparing to carry to the senate floor his charge that the department is morally responsible for depreciated bond values because it sanctioned the loans.

The state department's reply that it sanctioned only the political aspects of the loan, not their solvency, was called by Glass "a wretched subterfuge."

Johnson said the department kept the letter secret until it was read at the investigation.

Some state department witnesses may be called. Witnesses for today include George Murnane of Lee, Higginson Co., Boston, Frederick Straus of J. and W. Seligman & Co., and Raymond Morris of Brown Brothers, New York.

Several witnesses recently questioned have denied that concessions to American firms had anything to do with their loans to South American countries.

JANUARY 8, 1932. Olean, NY

President Harding's unemployment conference encountered the same brutality and arrogant anti-unionism. And President Harding's agricultural conference, though summoned to discuss agriculture, was dominated by the most sinister type of big business representatives and was sent to its doom by exactly the same sort of ultimatum that wrecked President Wilson's first effort two years previous.

It is scarcely more than a month since the President of the United States, in an effort to settle the railroad strike, put before the executives and the striking shopmen a proposal for settlement. This proposal was accepted by the shopmen and flouted by the executives. In an effort to induce the executives to change their minds, the President sent Mr. Hoover as his messenger to New York City to attend a meeting of the executives.

Mr. Hoover and the Bankers.

Prior to the meeting with the executives, however, Mr. Hoover met a group of bankers. Mr. Hoover has been throughout his entire career engaged in large industrial enterprises. He understands the world of industry and he understands the banking world. He is not a man to be associated with anything but an honest endeavor. He would not go to a meeting of bankers asking that they do a certain thing, unless he knew that they had the power to do that which he asked.

Mr. Hoover, Aug. 1, 1922, met a group of bankers, among whom the following were reported as in attendance: Benjamin Strong, Governor Federal Reserve Bank of New York; Charles E. Mitchell, President National City Bank; Edward R. Stettinius, a partner of J. P. Morgan & Co.; James E. Alexander, President National Bank of Commerce; Mortimer L. Schiff of Kuhn, Loeb & Co.; Frederick Straus, J. & W. Seligman & Co., Seward Prosser, President Bankers Trust Company, and Jacob Reynolds, President First National Bank.

Mr. Hoover was confronting the most powerful financial aggregation in the United States. The answer that he got from the throne of high finance in that meeting was the plain declaration that so far as the powers of finance were concerned, the railroads were free to use

The New York Times
Published: September 17, 1922

Apr 15, 2011 – Time
For many a month Wall Street has known that "Something has to be done about Transamerica." Last week the big holding company's 217,000 shareholders received a lengthy letter from their bustling chairman, Elisha Walker. It told what will be done about Transamerica.

No More Banks. It was Founder Amadeo Peter Giannini's idea that Transamerica should take the lead in nation-wide branchbanking. Last year the annual report said hopefully: "It is now generally conceded that the trend of public opinion is increasingly favorable to the extension of branchbanking." But Mr. Walker's letter of last week reported: "There is no apparent likelihood that nation-wide branchbanking will be authorized by law in the near future." He then confirmed the recent rumor that Transamerica will sell its controlling interest in banks, chief of which are Bank of America, New York, and Bank of America. California. During the week stockholders were assured that no hurried sale will be made, a buyer will be awaited. Current reports were that Bank of America. New York, would be merged with another Manhattan institution, that some Bank of America, California, stock would be sold, some distributed.

No More Investment Banking. The letter explained that the banks will be divorced from their investment affiliates. The most important of these is Bank-america-Blair Corp., an important investment banking house. It is expected that the securities business carried on by this company will pass to a new corporation known as Blair Securities Corp., and that the former partners of Blair & Co. will acquire it from Transamerica Corp. as an investment trust of the general management type.

No More Goodwill. Last year the total assets of Transamerica Corp. were $1,117,000,000. Last week drastic write-downs were made. All marketable securities were valued at market prices; shares of controlled companies were written down to their net asset value; all goodwill and going concern value were eliminated, also the value of insurance in force in the case of insurance companies. The result was a total asset value of only $302,117,000, a net asset value (assets minus liabilities) of $173,091,000.

No More Dividends, The Transamerica quarterly dividend has been cut from 25¢ to 10¢ this year. But even 40¢ a year requires almost $10,000,000 on Transamerica's 25,000,000 shares. Last week the dividend was passed.

No More Gianninis. Most surprising of all the changes made last week were those in management. Eight new directors were added, 22 old ones dropped. New directors included **Frederic Winthrop Allen, Charles Edward Cotting and George Murnane, all partners of Lee, Higginson & Co**. They also included presidents of two companies friendly with Lee, Higginson: Frederic C. Dumaine of Amoskeag Manufacturing (cotton mills) Co. and Charles W. Nash of Nash Motors Co. This indicated that the influential house of Lee, Higginson & Co. has a stake in the future of Transamerica, and more than any of the other changes answered the question of "What will be done about Transamerica?"

Washington Post 1916
The Alfalfa Club gave a luncheon
yesterday in honor of one of its members,
George X. McLanahan, and a number
of distinguished men from out of
town. Among those present were Logan
Waller Page, president of the club:
Jullen T Davles, Earl D Babst, Charles
A. Perkins, George Murnane, William Mitchell, T L Waugh, Edward Hungerford,
Maj Robert W. Hu--------------,
W. P. Richardson, Maj J C Hemphill.
Dr Julien Cabell, Milton C Elliott, Gen
C F Humphrey, Ord Preston, George
B Moses. Charles Elliott. Claudien B
Northrop, P St Jullen Wilson, J K
Penne backer, R S Turk, R B Watroas,
Theodore F Green, James S Jenkins,
Prof Burr W Jones, J C Sawyer,
R II Ives, Goddard, Jr , H R Burton,
Charles Noble Gregorv and Charles P.
Light, the latter secretary of the Alfalfa Club

Lynn P. Talley

THE GALVESTON DAILY NEWS, FRIDAY, JUNE 21, 1912

CONDENSED STATEMENT

THE LUMBERMANS NATIONAL BANK

HOUSTON, TEXAS

In response to call of the Comptroller of the Currency at close of business
Friday, June 14, 1912.

RESOURCES

Loans and Discounts		$2,538,169.49
Overdrafts		723.32
U. S. Bonds and Premiums		404,000.00
Other Stocks and Bonds		3,080.00
Houston Ship Channel Bonds		100,000.00
Furniture and Fixtures		33,952.60
Cash with Banks	$1,046,825.44	
Cash in Vault	493,875.85	
Due from U. S. Treasurer	25,000.00	1,565,701.29
Total		$4,695,627.20

LIABILITIES

Capital Stock		$400,000.00
Surplus		100,000.00
Undivided Profits		168,526.06
Circulation		391,700.00
Reserved for Taxes		6,345.18
DEPOSITS		
Individuals	$2,490,468.94	
Banks	1,138,587.02	3,629,055.96
Total		$4,695,627.20

BOARD OF DIRECTORS:

DOUGLAS BURNETT, GUY M BRYAN, JOS. E. BOWLES, JESSE ANDREWS, J. P. CARTER, S. F. CARTER, WM. D. CLEVELAND Jr., DAVID DALEY, LYNCH DAVIDSON, T. K. DIXON, R. C. DUFF, J. J. FLYNN, WM. A. WILSON, H. M. GARWOOD, E. A. HUDSON, DR. R. W. KNOX, GUS RADETZKI, CONRAD SCHWARZ, LYNN P. TALLEY, A. S. VANDERVOORT, J. M. WEST.

Special to The Galveston News. Feb. 1914
Houston, Tex., Feb. 21 Organization of the **Bankers, Manufacturers and Jobbers' Association** as an auxiliary of the Chamber of Commerce nab been perfected with the appointment of the executive board and treasurer, a power conferred upon the president at the Initial meeting. The executive committee consists of E. J. Hogan, C. D. Golding, A. Bodenheimer, W, A. Cortes and John McClellan. **Lynn P.Talley** is treasurer. Other officers are H. C. Schuhmacher, president; Ennis Cargill, vice prcsident and Adolph Boldt, secretary of the Chamber of Commerce, secretary. The detail and office work of the organization will be undertaken by the staff of the Chamber of Commerce. The advertising campaign is underway and the members are making arrangements to handle the trade on the two excursions planned. The first excursion will operate Feb. 22 to March 3 and the second from March IB to March 84. A ten-day limit Is allowed. Rates are effective from all over the state.

1915 – Brownsville, TX HOUSTON NEWS FOR HOUSTON BOOSTERS.
Houston, Texas, April ,7.—Lynn P. Talley was elected cashier of the Dallas reserve bank.

11/1938
WASHINGTON—America's biggest banking agency, the Reconstruction Finance Corporation, is managed for the most part by men whose $10,000 a year contrast very sharply with the higher salaries paid by first string banks in metropolitan centers, or even in some of the second string banks of the country.
Jesse Jones, the Houston banker and builder, whose own $10,000 federal pay check probably isn't a tithe to his annual income, heads the ortaniiation, whose credit has been extended into many major and minor industries directly or indirectly since it was created under the Hoover administration. It really blossomed out under President Roosevelt.
Altogether the Washington payroll of RFC has 21 names listed at $10,000 a year and one, **Lynn P. Talley of Dallas**, Tex., assistant to the directors, who is down for $12,500 a year—more than Chairman Jones himself or any of the other board members. Talley at present is on leave without pay because of extended illness.

San Antonio Express – April 1931
Formation of a Pan-American Chamber of Commerce on funds for Nicaraguan relief was practically completed Sunday, A drive has begun for Texas-made merchandise to be donated by Texas manufacturers and shipped to Minister Matthew E. Hanna, chairman of Central Relief Committee at Managua. It is expected that several carloads of foodstuffs and clothing will be routed over the Mexican lines of Mexico to Salina Cruz through the co-operation of the Mexican government and from there trans-shipped by steamer to Managua.
Several hundred telegrams have been sent to Texas manufacturing concerns asking for their co-operation. The first donation received by wire early Sunday morning came from the Schmidt Canning Company in the Rio Grande Valley offering 50 cases of turnip greens and 50 cases of tomato paste, a total of 4,000 pounds of foodstuffs. This was followed immediately by a donation of 1,200 cans of assorted chili con carnc and beans by W. F. Gohlke of the Walker Properties Association of Austin, Tex.
The following telegram was received at the offices of the Pan-American Chamber of Commerce from American Minister Matthew E. Hanna Sunday: "I most deeply appreciate your most generous assistance. A most urgent problem is that of obtaining money with which to give employment to the thousands of men whose living has been destroyed and to provide adequate shelter for the homeless people before the rainy season commences. While the American Red Cross has made a substantial contribution to the emergency situation additional money is needed for permanent rehabilitation and as time is a very important element early contributions will be most helpful."
Names added to the Pan-American chamber's relief committee Sunday were Jesse Jones, Houston: **Lynn P. Talley,** governor Federal Reserve Bank, Dallas; Mrs. J. C. Griswold, San Antonio, and Ray H. Nichols, president of the Texas State Press Association.
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WHY LYNN P. TALLEY LOST HIS JOB

Lynn P. Talley resigned as governor of the federal reserve bank of Dallas to become chairman of the board of the Bank of America National Trust and Savings company of San Francisco. This less than a year ago. Now he has resigned his California job. This after the A. P. Giannini forces had regained control of the bank's management and forced the retirement of the eastern financiers who had captured less than three years ago the famous financial organization and interest established by an Italian California and made a power on the Pacific coast. Now it is said that Banker Talley will return to Texas and make Dallas his home.

There has been many upheaval in banking circles the nation over since the crash came in 1929. Lynn P. Talley, a native Texan, appears to have been one of the victims of the most recent upheaval.

Laredo Times – 2/22/1932

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T A L LEY-D OW N S.

Swell Wedding at Temple Solemnized

Union of Prominent Families

Temple, Tex.. Dec. 5 (1907)—At the First Methodist Church in this city last evening, Wednesday, Dec. 4, at 8:30 o'clock, Miss Martha Browning Downs was united in marriage to Mr. Lynn Porter Talley of Dallas, Rev. Simeon Shaw, pastor of the church, recited the ceremony, the double ring and full Episcopal service being read. The church edifice was filled with friends of the contracting parties long before the hour of arrival of the bridal party, evidencingthe high and popular esteem In which they are held in this city. The unusual social prominence of the bridal pair made the event the most important social event that has occurred in this city for a long time. The bride is the daughter of Mr. and Mrs. **Flavius Foster Downs** of Temple, the father being for years the president of the First National Bank of Temple, while Mr. Talley, the groom, is also a Temple product, having been born here, the son of Dr. and Mrs. Ratliff P. Talley, and for some time has occupied the responsible position of cashier of the City National Bunk of Dallas.

The ceremonies Incident to the wedding were of the most beautiful character and impressive nature. The wedding march from Lohengrin announced tha approach of the bride to the altar, who entered Iraning upon the arm of her father. Immediately preceding the bridal Darfry were the members of the Thirteen Club, of which organization the winsome bride was a long-time member.

Ring bearers were little Misses Dorothy Mitchell and Dionetla Downs. Miss Anna Downs, sister of the bride, was maid of honor; Mrs. Walter Crow of Waxahnchie, matron ot honor, and the bridesmaids were Misses Eileen and Mamie Hamilton of Fayettevllle., Ark.; Elioes Fort of Waco, Katc Edmond nf Waco, Mary Taylor of Waco and Bess Kubanks of Sherman. The liride was greeted at the altar by the groom, attended by Mr. Martin Porter of Dallas as best man and

Porter of Dallas as best man and McQueen Roselle of Dallas. Beverly Harris of Houston, Craig Harris of Dallas and W. Fort Downs and Pinckney L. Downs Jr. of Temple as groomsmen. The ushers attending the bridal party were Dr. L. W. Pollock, Dr. John S. McCelvey, C. W. Lamberth, K. K. Hooper, T. Charlton Hill, Erle Keys, James Paten and Newton B. Jarrell. The church was beautifully decorated in honor of the occasion. Following the benediction, which was pronounced by Rev. Simeon Shaw, the bridal entourage left the church to the strains of "Lohengrin," and repaired to the residence of the bride's parents, where a reception was tendered to the members of the party, relatives and visitors here to witness the event. A wedding supper furnished the occasion for many happy toasts being proposed to the health, wealth and happiness of the young people, with best wishes for a long and happy wedded life. Mr. and Mrs. Talley departed on the northbound train in the early morning for Dallas, where the home is to be, apartments having been taken at the Park Hotel.

Many were the handsome gifts and remembrances lavished upon the fair bride. Among those chiefly to be mentioned were those from her father and groom, the gifts in each case being diamonds. Among the out-of-town guests were E. O. Tennison of Dallas, Mr. and Mrs. L. F. Cowan of Waco, E. W. Marshall of Waco, Mr. and Mrs. Walter Crow of Waxahachie, Mrs. Turner Williamson of Houston, Miss Ella Courts of Galveston, Mrs. A. C. Hamilton and daughters, Misses Eileen and Mamie, of Fayetteville, Ark.; Miss Ruby Yelverton of Mexia, Mr. and Mrs. Walter Fort of Waco, and many others.

McQueen Roselle of Dallas. Beverly Harris of Houston, Craig Harris of Dallas and W. Fort Downs and Pinckney L. Downs, Jr. of Temple as groomsmen. The ushers attending the bridal party were Dr. L. W. Pollock, Dr. John S. McCclvey. C. W. Lambert, K. K. Hooper. T. Charlton Hill, Erle Keys, James Paten and Newton B. Jarrell.

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SONS OF THE AMERICAN REVOLUTION -REGISTER OF NEW MEMBERS -TEXAS SOCIETY.

FLAVIUS FOSTER DOWNS, Temple, Texas (15666). Son of William Pinckney and Martha Sandel (Fort) Downs; grandson of William Wood and Henrietta (Sparks) Downs; great-grandson of William and Sarah (Downs) Downs; great-'-grandson of Henry and Frances (Tew) Downs; great 3 -grandson of Henry Downs, Captain North Carolina Militia, and **signer of the Mechlenburg Declaration of Independence**.

PINCKNEY LOVICK DOWNS, Temple, Texas (15667). Son of William Pinckney and Martha Sandel (Fort) Downs; grandson of William Wood and Henrietta (Sparks) Downs; great-grandson of William and Sarah (Downs) Downs; great 2 -grandson of Henry and Frances (Tew) Downs; great 3 -grandson of Henry Downs, Captain North Carolina Militia and signer of the Mechlenburg Declaration of Independence.

DAUGHTERS OF THE AMERICAN REVOLUTION.

MRS. MATTIE BROWNING DOWNS TALLEY. 48193

Born in Falls Co., Tex. Wife of Lynn P. Tilley.

Descendant of Henry Downs of North Carolina.

Daughter of Flavius Foster Downs and Tabbie Yelverton, his wife.

Granddaughter of William Pinckney Downs and Martha Fort, his wife.

Gr-granddaughter of William Wood Downs and Henrietta Sparks, his wife.

Gr-gr-granddaughter of William Downs and Sarah (Downs) his wife (cousins).

Gr-gr-gr-granddaughter of Henry Downs and Frances Few, his wife (parents of William).

Henry Downs (1708-78) was a signer of the Mecklenberg Declaration of Independence. He died near Providence, N. C. - Also Nos. 1 1805, 18959, 23576, 37904-

The Mecklenburg Declaration of Independence is allegedly the first declaration of independence made in the Thirteen Colonies during the American Revolution. It was supposedly signed on May 20, 1775, at Charlotte, North Carolina, by a committee of citizens of Mecklenburg County, who declared independence from Great Britain after hearing of the battle of Lexington. If the story is true, the Mecklenburg Declaration preceded the United States Declaration of Independence by more than a year. The authenticity of the Mecklenburg Declaration has been disputed since it was first published in 1819, forty-four years after it was reputedly written. There is no conclusive evidence to confirm the original document's existence, and no reference to it has been found in extant newspapers from 1775.

CARTER BUILDING WILL BE REMODELED SOON FOR BANK

Special to The News.

Houston, Tex., Nov. 20.—Work is to start at once and remodeling the first and second floors of the sixteen-story Carter building, Main and Rusk, to provide new quarters for the Lumbermans National Bank. This was announced today by Guy M. Bryan, vice president of the bank.

An annex of two stories, fronting on Rusk avenue, will be built at once, Mr. Bryan said. Beginning about Jan. 1 the first and second floors of the building north of the elevator shafts will be remodeled. The bank will occupy this space and both floors of the annex, which will front twenty-five feet on Rusk between the present Carter building and the new Majestic Theater, and will extend 100 feet along the back of the Carter building.

Thomas M. James & Co. of Boston were retained to draw the plans.

Mr. Bryan would not state how much the new quarters will cost.

The Lumbermans National Bank has been on the northwest corner of Main and Prairie since 1907. The lease on the present one-story quarters does not expire until June 1, 1972. The rooms will be sublet, Mr. Bryan stated.

NOVEMBER 21. 1922.

Houston.

Special to The News.

Houston, Tex., Jan. 12.—Following is the result of the National Bank elections, held today by the stockholders in the Houston banks:

National City Bank: Stockholders met but election of officers and directors was postponed until Saturday.

The Merchants National Bank: C. G. Pillot, president; T. C. Dunn, vice president; J. T. McCarthy, cashier; Randon Porter, assistant cashier. Directors: C. G. Pillot, T. C. Dunn, J. L. Thompson, Bryan Heard, Jonathan Lane (attorney), I. H. Kempner, Dr. O. L. Norsworthy, Roderick McDonald, J. T. McCarthy, Arch McDonald, J. M. Moore, R. E. Vinson, Hugh Burns.

American National Bank: W. E. Richards, president; Sterling Myer, vice president; F. W. Vaughan, cashier. Directors: W. E. Richards, G. A. Mistrot, T. A. Cargill, D. F. Burks, J. N. Neal, J. J. Settegast Jr., Frank Williford, Dr. Jas. A. Mullen, S. S. Brady, Horace Birch, F. W. Vaughan, Sterling Myer, G. W. Riddle.

The First National Bank: O. L. Cochran, president; J. T. Scott, vice president; W. S. Cochran, cashier; W. E. Hertford, assistant cashier; F. E. Russell, assistant cashier. Directors: O. L. Cochran, W. H. Kirkland, J. T. Scott, E. A. Peden, W. S. Cochran.

Commercial National Bank: W. B. Chew, president; Jas. A. Baker Jr., vice president; Thornwell Fay, vice president; Oscar Wells, cashier; P. J. Evershade, assistant cashier. Directors: Jas. A. Baker Jr., Thornwell Fay, Jas. D. Dawson, R. S. Lovett, Oscar Wells, Edwin B. Parker, J. V. Neuhaus, W. B. Chew, S. C. Red, C. H. Markham, Cleveland Sewall, Conrad Bering.

South Texas National Bank: Chas. Dillingham, president; J. E. McAshan (active) vice president; H. Brashear, vice president; O. T. Holt, vice president; B. D. Harris, cashier; C. A. McKinney, assistant cashier; C. F. Schultz, assistant cashier. Directors: Chas. Dillingham, J. E. McAshan, H. Brashear, O. T. Holt, B. D. Harris, C. A. McKinney, C. F. Schultz, F. A. Heitmann, A. Breyer, J. Z. Miller Jr., J. M. Dorrance, Daniel Ripley, E. K. Dillingham, H. F. McGregor.

The Lumbermans National Bank: S. F. Carter, president; Guy M. Bryan, active vice president; A. S. Vandervoort, cashier; Jesse H. Jones, vice president; J. P. Carter vice president; H. M. Garwood, vice president. Directors: W. O. Ansley, John S. Bonner, J. B. Bowles, Guy M. Bryan, J. P. Carter, W. D. Cleveland Jr., E. L. Crooker, B. H. Collins, S. F. Carter, David Daly, H. M. Garwood, Jesse H. Jones, J. F. Keith, W. H. Norris, A. W. Pollard, Gus Radozki, Conrad Schwarz, A. S. Vandervoort, Wm. A. Wilson.

JANUARY 13, 1909.

A man at Temple makes grave charges against Governor Ferguson relative to campaign expenses in 1914. He charges that three $10,000.00' payments were placed in the Temple State Bank to defray the Governor's expenses. H. C. Poe, the president of that bank, says:

Referring to charges against Governor Ferguson with reference to the Houston Ice and Brewing Company or any other brewing concern having contributed to Governor Ferguson's campaign in 1914, I submit to the fairminded and self respecting citizenship of Temple the following:
I have this date deposited certified check in the sum of $5,000 with F.F. Downs, a staunch prohibitionist and as well and favorably known gentleman as any man in Texas, upon the following terms and conditions:
That a committee composed of **F. F. Downs, president of the First National Bank of Temple;** C. M. Campbell, president of the City National Bank of Temple; P. E. Cheeves and E. W. Moore, officers of the Farmers' State Bank of Temple, requesting and inviting the above committee to investigate the books of the Temple State Bank in every respect and to their entire satisfaction, and under oath investigate our accounts with the correspondent banks to which we made our remittances during the year of 1914 and during the campaign of 1914, and in the event the above committee can find even a semblance of truth on which the slanderous charges made against Governor Ferguson could have been based, the deposit of $5,000, made this date shall be distributed by the above committee to the various charitable institutions of Temple, as in their judgment they deem best. The above gentlemen, as you will notice, are officers in competitive banks of the Temple State and as good, substantial citizens as Bell County or the great State of Texas ever had the pleasure to own. Yours veiy truly,
H. C. POE.
This is the usual method of the political assassin and
should meet the condemnation of every honest man.
J. F. CARL, Ferguson Manager
San Antonio Light – 7/21/1916

Temple Tex., May 14 (1907).—Burke Talley, sou of Dr. and Mrs. R. P. Talley, of this city, who has lived at Bluefields and Rama, Nicaragua for the last eighteen years is here on a visit to his relatives.
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— Gazette Photo by L. W. Ward

Parents Day at Coe College

Bob Urosevich, 18-year-old Coe college freshman from Omaha, showed his parents, Mr. and Mrs. Steve Urosevich, the patio of new Gage memorial union Saturday during annual parents' day festivities. The event was dampened a bit when Coe's football team lost to St. Olaf in one of the featured events of the weekend.

Cedar Rapids Gazette – 10/9/1966
Urosevich, Helen Catherine Varda
Oct 24, 1923 – Mar 15, 2011
Age 87, born in Omaha. Preceded in death by parents, Louie and Thelma Varda, and grandson, Nicholas Varda Urosevich. Survived by husband, Steve Urosevich, Omaha; sons: Steve L. Urosevich and Donna Lawton, Omaha, Robert and Julie Urosevich of McKinney TX, Todd and Mary Urosevich; daughter, Sueann and Mike Devereaux, all of Omaha; sister, Dorothy Soland of Tucson, AZ. Helen was loved by 12 grandchildren and 21 great-grandchildren. Helen was an active member in the St. Nicholas Serbian Orthodox Church.
Published in Omaha World-Herald from March 16 to March 17, 2011

ENGAGED

Gary Evanson to Sue Miller (Alpha Xi Delta).

Tom Parker (TKE) to Sami Petranek (Alpha Xi Delta)

Mike Mead to Marj Wolf (Alpha Theta Tau).

Jeff Hansen (Sigma Nu) to Linda Reimer (Alpha Theta Tau)

Robert Urosevich (Sigma Nu) to Julie Klopp.

Coe Cosmos – Cedar Rapids 9/29/1967

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Steve Urosevich of John Markel Ford in Omaha 1973 ad

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Hospital tries new approach for employes

NELIGH, Neb. (UPI) — Antelope Memorial Hospital in Neligh believes it has found a way to save money and at the same time keep its employes happy as well as challenged.

In short, the hospital pays its nurses and other workers who volunteer to stay home on days when the patient load is down.

Steve Urosevich, hospital administrator, said the program was started this spring. Initially, the nursing staff endorsed it but it now covers all employes.

Under the program, about 90 per cent of the staff participates, but can't take off more than two days in any one week.

The employes don't receive full pay, which means the hospital has a chance to save money, and yet employes benefit by not having to show up only to find nothing to do. The administrator said that means when they are on the job they are more than ready and willing to work.

Columbus, Ne. Telegram—7/9/1975

By SCOTT STEPHENS
C-T Staff Writer

LORAIN — After viewing the the system first-hand in Mahoning County last week, members of the Lorain County Board of Elections may consider trying computerized paper ballots in a special election Aug. 7.

The paper ballots — which are scanned electronically to tally results — are the latest voting method the board has looked at. Just this month, Democratic board members renewed a pitch for computerized punchcard voting to replace lever-operated machines.

THE PAPER ballots are similiar to test sheets given in college entrance exams. Ovals are filled in by pencil beside the candidate the voter wishes vote for.

Todd Urosevich, a representative from American Information Systems of Omaha, Neb., told the board Tuesday that his company's paper ballot system is by far the most simple for the average voter to use.

"If you have three voters using punchcards, levers, or paper ballots, I guarantee the one using the paper ballot will finish first every time," Urosevich said.

The company has been making election equipment since 1976. Prior to that, it was in the business of making testing programs for schools.

Board president Robert Wilson said the paper ballot system is different from anything the board has looked at.

"WE WANT to look at everything and make the best decision we can," Wilson said. "People say we've been dragging our feet, but the current system was put in in 1948."

Wilson said most of the systems the board has reviewed cost in the area of $500,000-$600,000.

Urosevich said his company would have an answer shortly about the possibility of using paper ballots in the Aug 7 election. The company likes to have six months to set up a system and train personnel, he said, but can accomplish that in 90 days if necessary.

May 23, 1984

May 1985 – Indiana, Pa. Gazette

Instead of traditional Xs or check marks, voters will blacken small ovals in front of the candidates' names. The procedure should be familiar to anyone who has filled in a Lotto ticket or taken standardized tests in school.

Number 2 lead pencils, the type preferred for use on the electronically counted ballots, will be provided at the polls. While the ballot scanner is capable of "reading" what AIS president Bob Urosevich described as "about every lead on the market and a lot of ballpoint pens," he warned that there are some marks the scanner cannot
Register.

The Urosevich brothers obtained financing for **Data Mark** from the Ahmanson family, who took a 68 percent controlling interest. The investment group related to the Ahmansons sold their shares in **1987** to the McCarthy Group (35%) and the World-Herald Company, Inc. (45%)

* = Involved with the McCarthy Group: Michael R. McCarthy, Chairman [See McCarthy Conflicts — FEC document photocopy: McCarthy is designated Principle Campaign Committee of a Candidate]

* = Senator Chuck Hagel: According to the Congressional Quarterly, Republican senator Chuck Hagel was Chairman of American Information Systems. [See Hagel Conflicts — Document photocopies for Senator Hagel; He lists the McCarthy Group as an asset, valuing his investment in McCarthy at up to $5 million, and omits mentioning that he was CEO and Chairman of the Board for the voting machine company, American Information Systems / ES&S.]

When Ross Sterling's wife died, the following article appeared in Big Spring on March 8, 1963:

> HOUSTON (AP)— Mrs. Maud Gage Sterling, widow of former Texas Gov. Ross Sterling, died Thursday night. She was 88. She had been a hospital patient since last July.
> Her husbaild was governor of Texas during the depression years of 1931-32. He died in 1949 at the age of 74. Mrs. Sterling, the daughter of Mr. and Mrs. Frederick Gage, was born at Hamilton, Ill. The Gage family moved in 1896 to Chambers County, Tex., where she met and married Sterling, then an oil operator. Sterling bought two oil wells in 1910 and developed them into the Humble Oil & Refining Co., of which he was president.
> The Sterlings moved to Houston in 1905. In 1924 he sold his Humble stock and retired as company president. During this time he started the Houston Dispatch and bought the Houston Post, combining them into the Houston Post-Dispatch. He lost control of the newspaper during the depression and it was purchased by J. E. Josey. W. P. Hobby was made publisher-president. Sterling served one term as governor. He was defeated in a bid for re-election. He was president of the Sterling Oil & Refining Co. from 1933 to 1946. Mrs. Sterling leaves a son, Walter Sterling of Houston; two daughters, Mrs. Mildred Hedrick of Fort Worth, and Mrs. Ruth Wheeler of Wichita, Kan.; eight grandchildren and 14 great grandchildren. The funeral service is set for 4 p.m. Saturday.

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Re: Goldstone
http://www.library.hbs.edu/hc/lehman/chrono.html?company=the_washington_water_power_company
"In 1928 WWP was acquired by American Power & Light Co. (AP&L), a utility holding subsidiary of Electric Bond and Share Company (EBASCO). With the passing of the Public Utility Holding Company Act in 1935, WWP was thrust into a period of legal battles for its control that lasted nearly two decades….As the 1950s began, public utilities were gaining more ground, and WWP was beginning to suffer as a result. Therefore, AP&L decided that it wanted to cut its losses and divest itself of WWP, even if the company had to be sold to a public utility district (PUD). WWP's board disagreed with this decision, and even garnered the support of some Spokane businessmen who were then able to get a restraining order to temporarily prevent the sale. The case was tried in March 1951."

Goldstone, who had been born in Idaho, had been the attorney for EBASCO and testified at the 1951 trial that the SEC had jurisdiction over the sale. A few years later the address of Pacific Holding was shown as 745 Fith Avenue, the same building in Manhattan where Bergdorf Goodman is located.
http://www.sec.gov/news/digest/1969/dig081969.pdf
August 1969
PACIFIC HOLDING CORP. TO SELL DEBENTURES. Pacific Holding Corporation, 745 Fifth Ave., New York 10022,filed a registration statement (File 2-34314) with the SEC on August 15 seeking registration of $15,000,000 of convertible subordinated debentures, due 1989, to be offered for public sale through underwriters headed by Shields & Co. Inc., 44 Wall St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. The company is engaged through subsidiaries in the manufacture and marketing of paints and related products, in the production and marketing of vitrified clay sewer pipe and brick products, and in the development of land in Southern California. Of the net proceeds of its debenture sale, $10,044.000 will be applied to the satisfaction of the company's 9%

short-term bank notes, incurred in connection with financing the purchase of stock of other corporations; the balance will be added to the company's general funds and will be available, together with internally generated funds and the proceeds of other unsecured loans, for the acquisition of interests in other companies, the development of real estate owned or to be acquired and capital expenditures for new facilities which may be made in connection with the future opera-tions of the company and of other businesses which may be acquired in the future. In addition to preferred stock, the company has outstanding 1,625,178 common shares, of which management officials as a group own 9.3%. Rene R. Woolcott is president and John D. Fredericks board chairman.

Just prior to his testimony at the 1951 trial:

SPOKANE, Feb. 21. (AP) — Electric Bond and Share, a major stockholder in the American Power and Light company, demanded Wednesday that the securities and exchange commission take jurisdiction over AP&L's proposal to sell the Washington Water Power company to public utiliy districts.

Abner Goldstone, a New York attorney representing Electric Bond and Share, told an SEC hearing his company owns 7.8 per cent of American's common stock and doesn't believe the proposed sale should be permitted without full disclosure of all the facts.

American has served notice it intends to sell WWP to two or more Washington PUDs. Goldstone said the notice contains "no adequate disclosure of facts such as needed to protect the public interest and consumers."

Somehow, this connection will eventually lead to this: "Enron acquired Portland General Electric Company (PGE) an electric utility as well as other ownership interests in generation facilities across the country as shown in Enron's triennial market reports and others that Enron failed to report." And "In addition, there were 17 days in 2000 in which Enron used Portland to perpetrate Death Star transactions, "sleeved" by Washington Water Power (WWP) to hide the nature of the transaction and "circumvent affiliate posting requirements." See http://www.sfgate.com/news/article/Feds-reveal-2-Enron-firms-energy-scheme-Death-2715270.php

"The decision handed down made it clear that the sale of WWP could not be legal because the company had interests in several states, and PUDs were not able to own property in states other than the one in which they operated. In 1952 a new board of directors was formed consisting of members selected by both WWP and AP&L. Shares of WWP stock were distributed to AP&L stockholders, and for the first time since William A. White rescued the company from bankruptcy in 1895, WWP was on its own. During this time, the company was also aggressively moving to resolve the power supply problem. In November of 1950 the company filed with the FPC for a license to build the Cabinet Gorge Dam on the Clark Fork River in Idaho. When completed in 1953, the Cabinet Gorge Dam nearly doubled WWP's generating capacity."

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http://www.energy-net.org/1NWO/PGE/EBSG-631.TXT

Electric Bond And Share Company June 30, 1931

Owned 20.21% of the stock in American Power and Light Company - Full Supervision

Also owned stock in Pacific Gas & Electric Company

http://news.google.com/newspapers?nid=1314&dat=19510221&id=r1MVAAAAIBAJ&sjid=yeUDAAAAIBAJ&pg=6196,24208

WWP owned properties in Northern Idaho.

Howard C. Aller was president of APL. Allegedly in collusion with Guy C. Myers.

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October 28, 2003 NYU Law School bulletin

Harold "Max" Messmer Jr. ('70) will be the guest at the Dean's Roundtable on November 6. Messmer is chairman and chief executive officer of Robert Half International Inc. (NYSE: RHI), the world's largest specialized staffing services firm providing placement services for accounting, finance, legal services, advertising, and information technology professionals. RHI is also the parent company of Protiviti, a leading internal audit and business risk consulting firm. Messmer has led the growth of the company from a small franchisor with revenues of $7 million in

1986 to a global operating company with revenues of $1.9 billion in 2002. In December 2000, RHI became the first staffing firm to be added to Standard & Poor’s widely tracked S&P 500 index. Before joining Robert Half International in 1986, Messmer was president of Pacific Holding Corporation, a diversified company with operations in agribusiness, textiles and other product areas. From 1982 to 1985, he served as president and chief executive officer of Pacific Holding’s largest subsidiary, Cannon Mills Company, and subsequently served from 1985 to 1986 as a member of the Office of the Chairman of Castle & Cooke, Inc., another affiliate of Pacific Holding. From 1970 to 1981, Messmer specialized in mergers and acquisitions with the Los Angeles law firm O’Melveny & Myers as an associate and then partner.

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